Manitoba Agriculture,
Food and Rural Initiatives

Annual Report
2005-2006

Manitoba

Agriculture, Alimentation
et Initiatives rurales Manitoba

Rapport annuel 2005-2006

Manitoba

2007-01528/

Minister of Agriculture, Food and Rural Initiatives

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable
John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Your Honour,

I am pleased to present you with the Annual Report of Manitoba Agriculture, Food and Rural Initiatives for the year ending March 31, 2006.

This department continues to focus on support for our primary producers, value added-processing, food safety, rural economic development and environmental protection.

Addressing primary producers' falling farm incomes from low commodity prices, adverse weather, and rising input costs was a priority. Financial support through Canadian Agriculture Income Stabilization more than doubled and record crop insurance payments were processed for 2005.

We continue to create new opportunities in value-added processing and to build on food safety initiatives. The chief veterinary officer and supporting staff developed a proactive approach to animal health and food safety, engaging both primary producers and the food-processing industry.

My department is focusing on building leadership and business development capacity in the community, providing one-on-one assistance for existing and potential rural entrepreneurs, and providing direct financial assistance to regional development corporations and rural economic development initiatives.

Manitoba Agriculture, Food and Rural Initiatives will continue to develop programs and policies that will strengthen our agri-food industry and help rural Manitobans build vibrant, sustainable communities.

Sincerely,

Rosann Wowchuk

Rosann Wowchuk
Minister

Manitoba

Deputy Minister of
Agriculture, Food and Rural Initiatives

Room 159
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8
(204) 945-3734

Honourable Rosann Wowchuk
Minister of Agriculture, Food and Rural Initiatives
Province of Manitoba

Madam,

I am pleased to present the annual report of the Manitoba Department of Agriculture, Food and Rural Initiatives for the year ending March 31, 2006.

During the past year, our department expended significant resources to assist producers who experienced excess moisture and reduced incomes. At the same time, we continued to work with local communities to provide them with tools to become vibrant and self-sufficient, and increased our efforts in engaging the agriculture industry in environmental sustainability. We also continued our efforts to add value to Manitoba products, so that we can create internal markets for our producers, keeping jobs and economic spin-offs in the province. As well, we continued to promote consumer and trading partner confidence in the food we produce.

Some of the highlights I would like to bring to your attention are:

- $143 million in Canadian Agricultural Income Stabilization (CAIS) expenditures and $300 million in production insurance to Manitoba farmers;
- engaging producers in efforts to make CAIS more responsive to their needs;
- hiring nine business development specialists who are assisting rural entrepreneurs to develop local businesses;
- establishment of a rural and community studies scholarship at Brandon University to encourage new ideas for rural development;
- continuation of our support for the Food Development Centre, which has attracted local, national and international clients with an interest in creating food products from Manitoba commodities;
- continuation of our support and funding of the Rural Economic Development Initiatives (REDI) program;
- creating and funding the Food Safety Initiative to assist food-processors in establishing universal food safety programs;
- developing a comprehensive avian influenza vulnerability assessment for the agricultural industry and continued work on a pandemic preparedness plan.

Respectfully submitted,

Barry Todd
Deputy Minister

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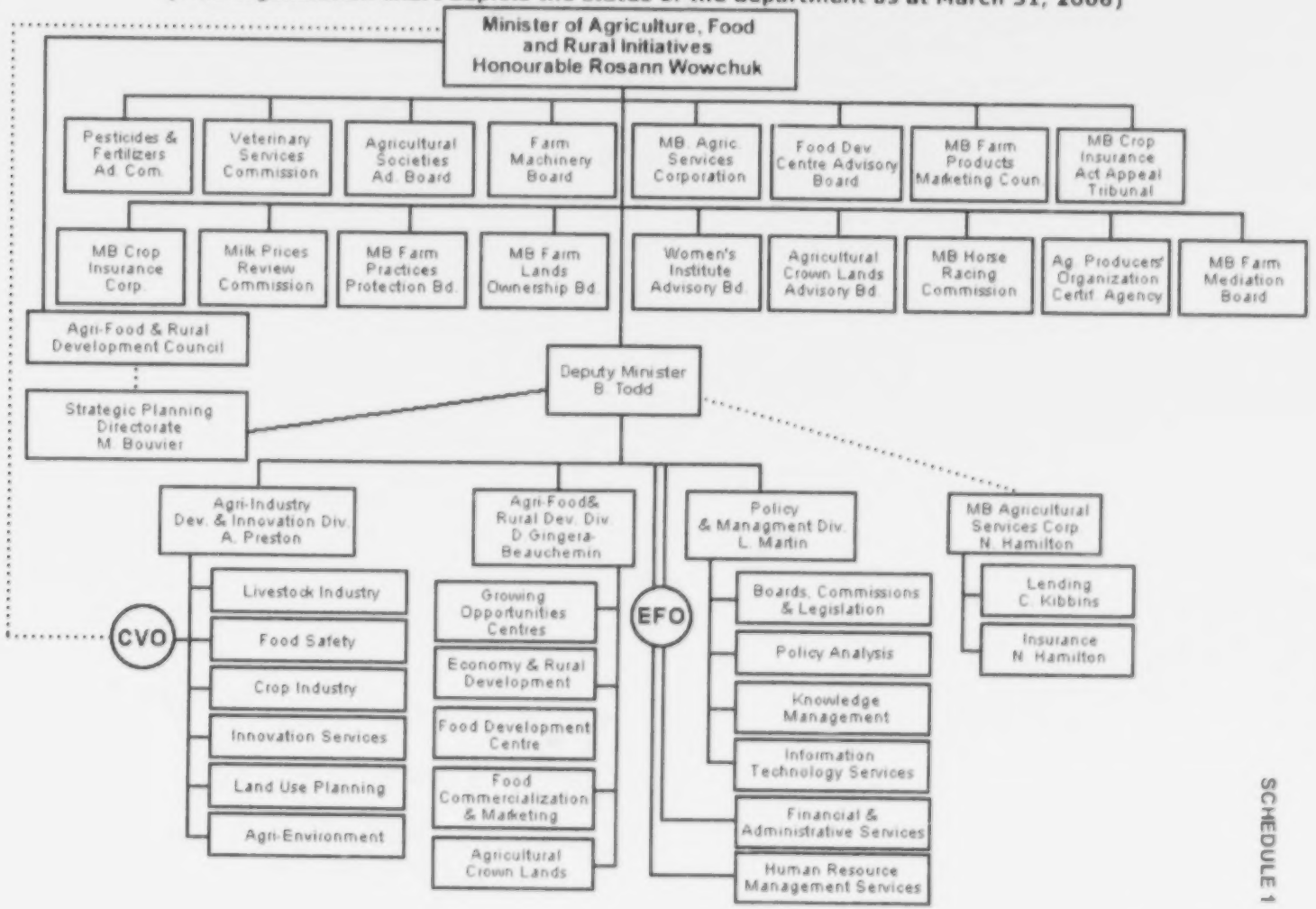
Organization Chart of Manitoba Agriculture, Food and Rural Initiatives

(This organization chart depicts the status of the department as at March 31, 2006)



SCHEDULE 1

MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

Executive

Honourable Rosann Wowchuk, Minister

B. Todd, Deputy Minister

A. Preston, Assistant Deputy Minister
Agri-Industry Development and Innovation Division

D. Gingera-Beauchemin, Assistant Deputy Minister
Agri-Food and Rural Development Division

L. Martin, Assistant Deputy Minister
Policy and Management Division

M. Richter, A/Executive Financial Officer

M. Bouvier, A/Executive Director
Strategic Planning Director

N. Hamilton, President and Chief Executive Officer
Manitoba Agricultural Services Corporation

C. Kibbins, Senior Vice President Planning and Lending Programs
Manitoba Agricultural Services Corporation

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture, Food and Rural Initiatives to summarize the activities and accomplishments of the Department during the 2005/2006 fiscal year. Three major sections of this report include:

- **Section One** includes Part A – Program and financial Information, and Part B – Capital Investments Information
- **Section Two** contains summary tables comparing actual 2005/2006 expenditures and revenues with the budgeted estimates. The 2005/2006 figures are also compared to those for the 2004/2005 fiscal year.
- **Section Three** contains a five-year historical comparison of spending and staffing by appropriation numbers.

This report is presented according to the financial organization of the department, and is not necessarily organized according to programs and services.

Mission and Role

The Department's mission and role statements support the provincial government's commitment to improve the quality of life of all Manitobans. Manitoba Agriculture, Food and Rural Initiatives is committed to the overall provincial strategic priorities of northern development, community economic development, healthy children, sustainable development, clean water, aboriginal development, and civil service renewal.

The mission statement defines the common goal of the Department and its staff. The role statement defines how our organization will achieve its mission. The Department's mission and role statements are as follows.

Mission
We are dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other Agriculture, Food and Rural Initiatives partners, and rural communities.

Role
Within a sustainable agriculture framework we provide leadership and a range of information, programs and services in support of our mission.

Our Vision

The publication entitled *Destination 2010* includes the Department's vision. This vision provides an overview of a desired and achievable state of the province's agriculture and food industry – and ourselves as an organization – by the year 2010. The vision stated below declares what this Department is striving to achieve while working with our farming and industry partners.

- Our farm families, agriculture and food partners and rural communities will become more prosperous and economically stable.

- Manitoba's agriculture, food and rural sectors will focus on profitability and competitiveness through expanded diversification and adding value, and greater market orientation – all within a sustainable agriculture framework.

- Our rural communities will become more healthy and dynamic through expanded local economic and employment opportunities, based on a growing agriculture, food and rural initiatives sector.

- Our Department will be the leading-edge provider of unbiased technical and up-to-date information to our clients.

Philosophy and Values

The Department's philosophy and values are based on a fundamental caring commitment to people — our clients and our employees. This caring commitment as found in the following statements has stood the test of time. These statements define who we are and our attitude towards others.

The People We Serve — Our Foremost Priority

We work together as a team with our clients, to advance our province's agriculture and food industries, and rural communities.

The people we serve range from farm families, rural communities, rural business operators, food processors, consumers, and Cabinet, to other government departments and our fellow employees.

Our Best Job Performance

We, as employees, are committed to giving our best job performance every day with pride and professionalism.

We Are One Organization

We all share a commitment to our Department, a greater whole, that takes precedence over any of its parts.

Similarly, we all share a greater commitment to the Government of Manitoba and its priorities.

At all employee levels we strive to understand our roles within our Department's overall mission, goals, beliefs, and values.

We Are Public Trustees

We are entrusted with managing funds and other resources owned by the public we serve.

At all employee levels, we are committed to ensuring that we make the most effective and efficient use of the public resources entrusted to our care.

Within our organization's philosophy and values the primary statement we adhere to is our commitment to "The People We Serve – Our Foremost Priority". In effect, this client-focused commitment serves as the foundation that our other beliefs are built upon. Throughout the decades Manitoba Agriculture, Food and Rural Initiatives' strategic priorities have undergone considerable change. But our primary commitment has essentially remained the same – and no doubt will continue to remain so in the long-term future.

Motivation, Morale, and Recognition

Manitoba Agriculture, Food and Rural Initiatives has a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals, or teams of

employees, are recognized and rewarded for their achievements. The Working Together for Success Committee, in charge of this program, annually invites department members to nominate fellow employees for special recognition and celebration. Recognition is awarded by peers -- and not from "the top down." Department staff members on the committee develop the award criteria, choose the number and types of awards, and vote on the winners.

The Department uses its Motivation, Morale and Recognition Strategy, as well as other measures, to motivate staff and boost morale, ultimately based on service improvement, for the benefit of the Department's clients.

Home Page

The Department's annual report can be found on Manitoba Agriculture, Food and Rural Initiatives' home page address at www.gov.mb.ca/agriculture. The 2005/2006 annual report on this web site includes a French language version for the Minister's introductory letter, the Deputy Minister's introductory letter, Preface, Sustainable Development Integration, and the narratives of each Division/Corporation.

Performance Indicators

The 2005/2006 reporting year is the first year that a standardized Performance Measurement section appears in Departmental Annual Reports. This section is another step in our process to provide Manitobans with a more complete picture of the activities of government and their impacts on the province. That process was begun in 2005 with the release of the document, *Reporting to Manitobans on Performance, 2005 Discussion Document*, which can be found at www.gov.mb.ca/finance/performance.

Performance indicators in departmental Annual Reports are intended to provide Manitobans with meaningful and useful information about government's activities, complementary to financial results. Some measures incorporate data collected by the provincial government, while others show data that are collected by external agencies. A range of existing, new and proposed measures may be reported in subsequent years, as the process continues to evolve.

For MAFRI's Performance Indicators refer to Appendix E.

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

Sustainable Development Integration

Under *The Sustainable Development Act*, each Department is required to integrate into its annual reporting process, information about progress in incorporating sustainable development into its activities.

A sustainable agricultural environment preserves and enhances national resources while providing maximum economic benefit within such a system of agriculture. Each Division in the Department has included a section on its sustainable development activities throughout the Annual Report, using the following principles of sustainable development set out by the Act:

- **Principle #1 - Integration of Environment and Economic Decisions**
- **Principle #2 - Stewardship**
- **Principle #3 - Shared Responsibility**
- **Principle #4 - Prevention**
- **Principle #5 - Conservation and Enhancement**
- **Principle #6 - Rehabilitation and Reclamation**
- **Principle #7 - Global Responsibility**

2005/2006 Highlights

- One of the department's major efforts was to address falling farm incomes due to excess moisture, low commodity prices, and high input costs. Initiatives included:
    - Nearly tripling of Canadian Agricultural Income Stabilization (CAIS) expenditures to $143 million, and advocating strongly on behalf of farmers for changes that will make the program more effective;
    - $300 million in production insurance payments, and new program features to respond to farmers' needs;
    - amalgamation of the Manitoba Agricultural Credit Corporation and the Manitoba Crop Insurance Corporation to create the Manitoba Agricultural Services Corporation, in order to develop and deliver a broader range of programs and services;
    - a 60 per cent reduction in school taxes on farm lands;
    - consultations with Manitoba's agri-food industry and subsequent discussions with the federal government to ensure Manitoba's position is represented at World Trade Organization negotiations.
- Development of Manitoba's food-processing capabilities to add value to primary commodities continued to be a major focus for MAFRI. This included initiatives such as creation of the Manitoba Cattle Enhancement Council to develop beef slaughtering and processing capacity, support for the OlyWest pig-processing plant, support for the Richardson Centre for Functional Foods and Nutraceuticals, and front-line assistance to entrepreneurs interested in creating and commercializing new products.
- The opening of the Food Development Centre's new pilot plant and the development of a partnership with the Great Plains Aseptic Processors (Tetra-Pak technology) were major assets in assisting Manitobans capture value-added opportunities.
- Rural development, another very significant departmental initiative, was addressed with the hiring of nine business development specialists, more than $16 million of business project funding through the Rural Economic Development Initiatives program, and continued funding for agricultural societies, regional development corporations and Junior Achievement. In addition, support for the Northern Healthy Foods Initiative will help northern Manitobans access nutritious and affordable foods, and a new aboriginal 4-H program will engage aboriginal youth in the process of rural development.
- MAFRI's commitment to the environment was demonstrated through delivery of environmental farm planning workshops that assisted farmers in developing farm plans and accessing $2.7 million worth of funds through the Canada-Manitoba Farm Stewardship Program in order to implement the plans on 2.4 million acres of farmland.
- Assistance with the development of the Ecological Goods and Services initiative, in conjunction with the Keystone Agricultural Producers, has resulted in a federally funded national pilot project that will pay farmers for the environmental benefits they provide.
- Food safety continued to play an important role in departmental activities with the allocation of $2.5 million to the Food Safety Initiative to assist the food-processing industry establish food-safety programs.
- The Office of the Chief Veterinary Officer, which was created to develop a proactive and coordinated approach to animal health and food safety, is developing an agri-food preparedness plan in the event of an animal disease outbreak or human pandemic. It has created the first provincial livestock industry avian influenza vulnerability assessment in Canada.

SECTION ONE

PART A

PROGRAM AND FINANCIAL INFORMATION

Appropriation 1
Policy and Management

The Policy and Management Division coordinates long-term policy and program development for Manitoba Agriculture, Food and Rural Initiatives (MAFRI). The Division conducts research and analysis and provides advice on government policies that affect the agricultural sector, the agri-food chain and the rural economy. Policy and Management provides statistics, industry intelligence, marketing, and production information to the general public and staff through a variety of mediums including the World Wide Web. In addition, the Division provides program analysis, facilitation, secretariat, information system technology and knowledge management services for the implementation of Departmental initiatives. Policy and Management provides support services and funding for the administration of various boards and commissions.

Appropriation 1 (a) - Minister's Salary

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	29.7	1.00	29.4	0.3	
Total Sub-Appropriation	**29.7**	**1.00**	**29.4**	**0.3**	

Appropriation 1 (b) – Executive Support

Executive Support is responsible for providing leadership, direction, and communication in the effective implementation of department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery remained a major priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	462.1	8.00	473.9	(11.8)	
(2) Other Expenditures					
-Grants/Transfer Payments	6.2		12.9	(6.7)	
-Other	69.8		53.6	16.2	
Total Other Expenditures	76.0		66.5	9.5	
(3) Policy Studies	53.9		71.2	(17.3)	
Total Sub-Appropriation	**592.0**	**8.00**	**611.6**	**(19.6)**	

Appropriation 1 (c) – Strategic Planning Directorate

The Strategic Planning Directorate was created under the Growing Opportunities Initiative to focus the Department's efforts to strategically identifying paths that will strengthen the agriculture and agri-food sectors, as well as rural and northern communities. The Directorate's specific objectives include: providing leadership and support in development of the Departmental Strategic Plan; fostering unit-level excellence in planning and consultations with stakeholders; supporting, monitoring, and reporting on implementation of strategic directions and policies for the Department; and integrating the strategic directions of the agriculture and food sectors and rural and northern communities into the overall departmental strategy.

The highlights of the Strategic Planning Directorate's 2005/2006 accomplishments include:

- Developed a strategic planning system for the Department, including GO Teams and Knowledge Centers;
- Facilitated and trained GO Teams and Knowledge Centers to strengthen strategic planning;
- Assisted GO Teams to develop a community consultation process to gain community input, allowing teams to customize their plans to the needs of the areas they serve;
- Developed the framework for a performance measurement system in the department;
- Supported "Creating Opportunities", a provincial consultation process on adding more value to Manitoba's natural, physical and cultural resources and assets.
- Facilitated the Department's efforts to explore a value chain initiative with industry.

1 (c) Strategic Planning Directorate

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	548.2	6.00	456.9	91.3	
(2) Other Expenditures	85.2		134.8	(49.6)	
Total Sub-Appropriation	**633.4**	**6.00**	**591.7**	**41.7**	

Appropriation 1 (d) – Policy Analysis

Policy Analysis is a Knowledge Centre. The primary objectives of the Policy Analysis Knowledge Centre are to provide research, analysis and advice on government policies that affect the agricultural sector, the agri-food chain and the rural economy. In addition, the Policy Analysis Knowledge Centre provides program analysis, evaluation, facilitation, secretariat and technical services for:

- the implementation of Departmental initiatives, and
- management support documents which enhance the economy and effectiveness of the Department's programs and activities.

Agri – Food Policy Analysis Section

During 2005/2006, Agri-Food Policy Analysis Section staff developed and monitored policies aimed at supporting the Manitoba agri-food industry. The section kept abreast of the agricultural economic situation and determined the effectiveness and impact of programs and policies on the industry.

Section staff supported the integrated national goals set under the Agricultural Policy Framework (APF), which is a five-year federal-provincial-territorial agreement in agriculture and agri-food. The APF identifies the common goals or five key areas of agricultural policy and programming as Food Safety and Quality, Environment, Renewal, Science and Innovation, and Business Risk Management. Staff provided administrative support and program co-ordination to the Canada/Manitoba Implementation Agreement of the APF, including transitional programming. Staff also provided support to the Federal/Provincial Management Committee which is responsible for the implementation of various chapters under the APF.

Input was provided by staff to the ongoing development and review of the Canadian Agricultural Income Stabilization (CAIS) Program. Staff participated on the federal/provincial/territorial Business Risk Management and the CAIS Working Groups as well as the Naticnal CAIS Committee. Staff maintained responsibility for the budget and expenditures for CAIS. Consultations were held and input obtained from producer groups and the Manitoba Safety Nets Consultation Committee on CAIS. A consultation and review of the Wildlife Compensation Program was led by staff who also participated in consultations and reviews on federal Business Risk Management initiatives, such as: the cash advance programs, Private Sector Risk Management, and Production Insurance for livestock.

Staff reviewed the impact of excess moisture, assessed the effectiveness of programs and assisted in providing information for discussions with the federal government. There was also continued participation on the Canada-Manitoba APF Environment Working Group, in which staff assisted in the development of the Alternative Land Use Services (ALUS) Blanshard Pilot Project, as well as with the symposium for Ecological Goods and Services.

Staff continued to work and consult with industry, and to provide advice to the federal government on the World Trade Organization (WTO) negotiations on agriculture. Centre personnel worked with the federal government on a number of bilateral and multilateral trade issues, such as:

- the US challenge on hog countervail;
- challenges to state trading enterprises, particularly the Canadian Wheat Board; and
- the Canadian challenge on US corn countervail.

Staff provided input on a number of other issues including:

- farm income situation
- Tri-national accord on trade
- Canadian Wheat Board
- climate change mitigation and adaptation
- grain handling and transportation
- farm taxation
- the Food Charter
- water resource management

Staff provided support to the Agri-Food Research and Development Initiative (ARDI) Council. Staff also participated in regional and provincial meetings to update producers and staff on agricultural policy issues.

Rural Policy Analysis Section

During 2005/2006, Rural Policy Analysis Section staff developed and monitored policies aimed at supporting rural communities and citizens in Manitoba. Rural Policy staff worked with other Knowledge Centers and Divisions within the Department, especially the Economy and Rural Development Knowledge Centre, plus with other Departments, other levels of government, and community groups working on community and economic development (CED) issues in rural Manitoba. The section kept current on rural issues and determined the effectiveness and impact of programs and policies on rural communities.

Section staff supported the development of the National Rural Framework (NRF). The Federal Government has worked with departmental staff from the provinces and territories since 2003 to develop a framework to allow federal/provincial/territorial governments and their ministries to work together to support the long-term sustainability and viability of rural Canada.

Rural Policy Analysis staff provided support to the Creating Opportunities Consultations. The Consultations gathered input from individuals, communities and industry in rural Manitoba and identified new value-added opportunities and barriers that exist in rural communities. A report was drafted outlining the input received through the consultations, and providing recommendations.

Rural Policy staff also co-managed the Rural Development Institute (RDI) agreement with the Economy and Rural Development Knowledge Centre. RDI was in the final year of a three-year agreement that expired on April 1, 2006. Staff worked with an interdepartmental team to develop a new agreement with RDI that reflects the new priorities and structure of MAFRI.

Staff co-chaired Rural Team Manitoba (RTM) with a federal counterpart from Western Diversification. Representatives of RTM (a part of Rural Team Canada) work together to understand and respond to the needs of rural, remote and northern citizens by building networks and providing support at the community level.

Input was provided by staff on a number of other issues including:

- the Tri-National Accord on Trade
- Rural Forum
- North American Super Corridor Coalition Conference on Trade
- a rural equivalent to the Neighbourhoods Alive Program
- a Gasification Research Fund.

Staff acted as a resource to the internal MAFRI team on Community and Economic Development (CED), and also represented MAFRI on the interdepartmental CED committee led by the Community and Economic Development Committee of Cabinet.

Program Analysis Section

Program Analysis Section staff were involved on the Home Page Management Committee that provided leadership in coordinating information on the Department's Home Page. During 2005/2006, Program Analysis coordinated and edited an updated version of the Programs and Services profiles found on the Department's Home Page. These profiles inform readers, especially the public, of client services available through the Department.

Program Analysis staff were responsible for editing several management documents for submission to central government, and prepared responses to information requests from other governments and

departments. Program Analysis staff were also involved in the cross-government task force aimed at curbing the production and use of methamphetamine. Staff developed and distributed a brochure to farmers on how to protect their supplies of anhydrous ammonia, one of the potential ingredients used in methamphetamine production.

The Program Analysis Section also plays a leadership role for all components of the Succeeding Generations Initiative. This program is aimed at providing support to young and beginning farmers as well as for intergenerational transfer issues and include mentoring, a financial component through MASC called the Bridging Generations Initiative, and an awareness program that includes The Young Farmers Newsletter and the Young Farmers Website as communication vehicles. The Young Farmers Newsletter publishcd three issues in 2005/2006 that profiled dynamic young farmers and provided information about Departmental and MASC programs.

1 (d) Policy Analysis

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	988.0	19.50	1,180.3	(192.3)	1
(2) Other Expenditures	256.6		335.9	(79.3)	
Total Sub-Appropriation	**1,244.6**	**19.50**	**1,516.2**	**(271.6)**	

1. *The under expenditure is mainly due to expenditure management to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 1 (e) – Knowledge Management

Knowledge Management is a Knowledge Center composed of two sections: Knowledge Management and Industry Intelligence. The mandate of the Knowledge Management is to collect, manage and provide access to the wealth of knowledge available in the Department. This knowledge is in print, electronic form, and as tacit knowledge through experience. The Industry Intelligence Section plays a vital role in delivering key market based knowledge to the Department's programs and Departmental clients in support of sound decision making.

Knowledge Management Section

During 2005/2006, the Knowledge Management Section provided the Department with services such as:

- Web content management
- Management of a Departmental knowledge warehouse
- Development of knowledge management processes
- Coordination of on-line client access
- Research services
- Web design
- Home page maintenance
- Development of processes to improve the flow of knowledge between GO Teams and Knowledge Centers

During 2005/2006 Section staff developed a Knowledge Management strategy to guide the delivery of its mandate. Staff also developed a base classification system for all knowledge in the Department. Staff developed a prototype knowledge warehouse to evaluate the processes of collection, management and access to information.

Staff continued to provide development and support services for the Departmental home page and publication distribution. The home page continues to be a key Departmental knowledge delivery tool. Containing over 8000 files, the home page represents a vast library of knowledge accessible to the public.

Industry Intelligence Section

During 2005/2006, the Industry Intelligence Section provided the following services:

- Market statistics, analysis, and evaluation
- Historical statistics
- Ad hoc analysis
- Industry analysis based extension services
- Farm income statistics and analysis
- Specialized economic analysis

A significant activity for the Section this year was preparing ad hoc analysis for specialists and executives as they reviewed existing programs and developed new programs.

Staff continued to monitor the crops and livestock industries closely, and provided public information through weekly crops and livestock reports, statistical fact sheets and *The Agricultural Yearbook*.

1 (e) Knowledge Management

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,019.1	18.00	1,091.7	(72.6)	
(2) Other Expenditures	157.9		159.3	(1.4)	
Total Sub-Appropriation	**1,177.0**	**18.00**	**1,251.0**	**(74.0)**	

Appropriation 1 (f) - Information Technology Services

The objective of Information Technology Services (ITS) is to coordinate, plan, implement, and manage the required information technology resources which enable the Department to meet its business goals, objectives, and opportunities. Along with providing computer management services and expertise for all user levels within the Department, ITS provides advice to senior management on all information technology related matters. This assistance ensures that information technology resources are applied in a strategic, consistent, and economic manner that addresses overall departmental objectives.

Information Technology Services provides the Department with the following services:

- system analysis
- design and development
- ongoing system maintenance
- system integration
- technology research and development
- technology planning
- specialized hardware/software purchasing

As the technology in the Department's systems increases, there is a greater demand to strategically manage and direct these resources. Information Technology Services plays a vital role in coordinating the acquisition of technology with the establishment of information systems to aid primarily in the delivery of departmental programs.

During 2005/2006, staff developed a number of new systems for the Department including:

- the Travel Request System, which streamlines the travel approval process and collects key seminar and meeting information
- the Weather Station Infrastructure System, which collects local weather information from remote weather stations and merges the data for use in meteorological models
- the re-development of the Crown Lands System, which brings its technology in-line with departmental standards.

Geographic Information Systems (GIS) and Internet Systems continued to be well used. Applications such as Agri-maps, The Hay List, and the Calendar of Events provided assistance to all staff and were delivered using web technologies.

Staff continued to provide support to Department staff on the management of their Desktop Environment and facilitated the daily workings of the Desktop Management Environment Contract. Staff also continued to support the Food Development Centre (FDC) and its related services received under the Desktop Management Environment. In 2005/2006, a full restoration of all desktop and laptop computers in the Department was completed. Staff continued to support all existing systems in the Department including the supporting infrastructure.

1 (f) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	520.1	7.00	562.5	(42.4)	
(2) Other Expenditures	40.8		70.1	(29.3)	
Total Sub-Appropriation	**560.9**	**7.00**	**632.6**	**(71.7)**	

Appropriation 1 (g) – Boards, Commissions & Legislation

The Boards, Commissions and Legislation is a Knowledge Centre and includes the following council, agency, boards and commission:

- Manitoba Farm Products Marketing Council
- Manitoba Farm Machinery Board
- Manitoba Farm Practices Protection Board
- Manitoba Farm Lands Ownership Board
- Manitoba Milk Prices Review Commission
- Agricultural Producers' Organization Certification Agency
- Manitoba Farm Mediation Board
- Manitoba Horse Racing Commission

The Boards, Commissions and Legislation Knowledge Centre reviews and amends current legislation and introduces new legislation. In addition, the Knowledge Centre assists and enhances producer incomes by:

- providing mediation services
- setting producer prices
- providing a mechanism to fund research and promotion activities
- regulating the production and marketing of certain agricultural commodities.

The Knowledge Centre focuses on providing support to producers in managing and implementing acceptable farm practices and in adopting on-farm safety standards in certain marketing schemes.

Manitoba Farm Products Marketing Council

The objective of the Manitoba Farm Products Marketing Council is to provide effective administration of *The Farm Products Marketing Act*. The council is responsible for supervising the operations of various boards and commissions and enforcing the regulations. It serves as an appeal body for individuals affected by a regulation, order, or decision of the boards and commissions.

During 2005/06, staff supported the work of the council members by providing background documentation and analysis for meetings and appeals. As well, staff reviewed regulatory proposals and amendments and national marketing issues. Council staff advised the Department Executive on marketing policy issues and responded to public and producer inquiries. Council staff also maintained regular contact with management staff of the boards and commissions, other provincial supervisory councils, and the National Farm Products Council.

In 2005/2006, the Council supervised the following boards and commissions:

- Manitoba Beekeepers' Association
- Manitoba Chicken Producers
- Dairy Farmers of Manitoba
- Manitoba Turkey Producers
- Manitoba Broiler Hatching Egg Commission
- Manitoba Egg Producers
- Manitoba Pork Council
- Peak of the Market

The Council convened eight meetings at which one appeal was heard, and nine delegations made presentations. The Council's activities were primarily focused on industry consultations regarding:

- regulatory changes to various Quota Orders and Levy Regulations including the implementation of a revised Milk Marketing Quota Order and introduction of a New Entrant Program
- approval of several by-law amendments
- administration of quota transfers in the poultry industry
- participation in Federal-Provincial meetings regarding revised Federal-Provincial Agreements.

- the establishment of a marketing plan for processing potatoes
- development of a marketing plan for cattle
- approval of a new Manitoba Egg and Pullet Producers Marketing Plan Regulation
- allocation of overbase quotas
- applications to waive the five year moratorium on quota re-location

As part of its statutory responsibilities, the Council reviewed and approved the following orders and regulations:

- Broiler Hatching Egg Administration Levy Regulation
- Hog Administration Levy Regulation
- Hog Producer Registration Order
- Milk Marketing Quota Order
- Milk Qualities Penalties Regulation amendment
- Turkey Quota
- Chicken Broiler Exemption Order re: Certified Organic Chicken
- Hog Information Order
- Milk Marketing Quota Order
- Turkey Administration Fee Regulation

Each of the boards' marketing plan regulations set out that new or amended by-laws require the approval of the Council before coming into effect. The Council considered and approved the following:

- Dairy Farmers of Manitoba – amendment
- Peak of the Market – amendment

Representatives of the Council participated in two meetings with federal and provincial counterparts regarding provincial expectations for the supply managed sector and to arrive at a set of principles acceptable to governments. The central principle developed during the meetings was the incorporation of differential growth into agency developed quota allocation methodologies. A revision to the Federal-Provincial Agreements for broiler hatching eggs, eggs and turkeys remains under discussion.

The Council convened several meetings with representatives of the three poultry boards to seek a clearer understanding and a consistent application of the regulatory authorities respecting quota allocations, reallocations and adherence to certain principles in the regulatory schemes. Discussions remain ongoing but are anticipated to be concluded shortly.

During 2005/2006, consultations continued with Keystone Potato Producers Association, potato processors, and Peak of the Market on a proposed Marketing Plan Regulation. The Marketing Plan Regulation is expected to be in place for the 2006/2007 crop year, and will establish a formal structure for achieving growing agreements between producers and processors, prior to the planting of potatoes in the spring of each year. The regulation will provide for the establishment of a producer/processor committee for each designated processor and will outline a process by which producers and processors mutually determine a fair basis for the sale and purchase of processing potatoes.

The Manitoba Cattle Enhancement Marketing Plan Regulation became effective on March 29, 2006. This regulation established a formal structure and mechanism to:

- provide for the development, establishment and financing of processing activities for cattle
- initiate, encourage, support and conduct programs and research that enhance value added activities for cattle
- stimulate, increase and improve the marketing of value added products for cattle
- gather, compile, and distribute information related to the cattle industry.

The Manitoba Cattle Enhancement Council's primary function is to provide financing (investment) for the start up of processing facilities in the province, which will be secured by the imposition of a levy on all marketed cattle.

On July 5, 2001 *The Farm Products Marketing Act* (the Act) received Royal Assent and replaced *The Natural Products Marketing Act*. As a result, the existing marketing plans of the various boards and commissions needed to be revised in order to be consistent with the Act. The approval of the revised Manitoba Egg and Pullet Marketing Plan Regulation represented the fifth of seven regulations requiring such revisions. New terminology relating to the concept of production was incorporated throughout the Marketing Plan Regulation. A provision that allowed non-registered producers to apply for a refund of any levies or fees paid by them was removed.

The Council approved the Milk Marketing Quota Order which introduced the New Entrant Program. The Program was developed to assist new producers and some existing small dairy producers to become established in the dairy industry. Each year, five applicants are selected to receive a temporary allocation of twelve kilograms of daily butterfat quota that will be added to an equivalent twelve kilograms of butterfat, which must be obtained from the operant's monthly quota exchange. Successful applicants are then allowed to produce and ship milk as registered producers for four years. In the fifth year of operation, the twelve kilograms of temporary daily butterfat quota is taken back by the board at the rate of one kilogram per month. To maintain the quota at or above the twelve kilograms of daily butterfat quota, new entrants can purchase the required quota on the monthly quota exchange.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act*, 1980. The Commission's mandate is to set a producer price for fluid milk, and to monitor and control wholesale and retail milk prices as required. In 2005/2006, the Commission convened four meetings and one conference call. Three of these meetings focused on whether new producer, wholesale and retail prices for fluid milk were required. On all three occasions, the Commission reviewed the Manitoba Dairy Farm Cost of Production (COP) Summary and concluded that the fluid milk price for producers should remain unchanged at $75.26/hl due to insignificant changes in the producer costs of production.

On May 12, 2005 the first meeting of the Western Milk Pool Fluid Milk Action Committee was held in Calgary, Alberta to discuss the concept of one producer fluid milk price across Western Canada. This Committee met numerous times over the past year and the Commission is currently in discussions with the Dairy Farmers of Manitoba regarding the proposed formula that incorporates a consumer price index, personal disposal income and cash costs.

On June 9, 2005 an amendment to *The Milk Prices Review Act* was passed providing the Commission with the flexibility to use any COP formula that it deems appropriate.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Farm Machinery and Equipment Act*, involving the Board with all segments of the farm implementation industry: producers, dealers, distributors, and manufacturers. In 2005/2006, one board meeting and six conference calls were held. *The Farm Machinery and Equipment Act* requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgment before farm machinery repossession can occur.

In 2005/2006, the Board received and processed 87 applications for leave to repossess, a decrease of 37 (30%) over the same period in 2004/2005. The Board licensed 129 dealers and 85 vendors.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations. The Agency did not convene any meetings In 2005/2006.

Every year the Agency conducts a review with each designated commodity association to consider their activities from the past year and to be informed about their anticipated funding projects for the upcoming year. Although the Agency did not hold such a meeting in 2005, it did receive Annual Reports from the following designated commodity associations: Manitoba Canola Growers Association, Manitoba Forage Seed Association, Manitoba Pulse Growers Association, Manitoba Corn Growers Association, Manitoba Sheep Association, National Sunflower Association of Canada, and the Manitoba Buckwheat Growers Association.

On May 4, 2005 the Agency conducted a referendum amongst oat producers in Manitoba to determine if the Manitoba Oat Growers Association would be approved as the designated representative of oat producers in the province. The Association received 53.1% support from oat producers which fell short of the legislative minimum requirement of 60%. Therefore, the Association's request was unsuccessful.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act is intended to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that are unacceptable and disturb neighbours.

During 2005/2006, the Board convened one meeting as a result of a complaint. The complaint related to an odour disturbance emanating from a hog operation. The Board upheld the complaint against the hog operation which was ordered to modify its farm practices to be consistent with normal farm practices.

To ensure compliance with its Orders, the Board undertakes an annual inspection of the agricultural operations which were ordered to modify their farm practices. All agricultural operations were found to be in compliance.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The Board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counselling, and loan payment guarantees.

During 2005/2006, the Board received 116 applications from both farmers and lenders for assistance in resolving financial difficulties. These applications resulted in:

- 109 new mediation cases
- 88 cases in progress from the previous year, for a total of 197 cases for mediation
- A total of 129 cases were completed during the year, with 74 requiring formal mediation. Of those, 55 resulted in an agreement (a 74% success rate).

The Board administers the Special Farm Assistance Fund. The fund was established to help producers obtain an arrangement involving continued credit or a leaseback of property conveyed to creditors. There are four programs available under this fund, three of which were accessed by producers in this fiscal year.

The Board approved new guarantees for four farm clients in 2005/2006, with a total liability of $101,600.00 over a maximum four-year period:

- There were 19 farmers who had guarantees during the year, with a total potential liability of $260,111.00.
- The actual amount paid was $36,798.04 or 14.12 % of the liability. The fund is provided through the Manitoba Agricultural Services Corporation.

In order to qualify for a guarantee, the operation must demonstrate viability and the producer, lender, and board must agree to a farm financial plan.

The Board held seven meetings and one conference call to review activities and policy issues, and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under *The Farm Lands Ownership Act*, from non-Canadians and public organizations interested in acquiring Manitoba farm land. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

The Board met seven times in 2005/2006 to consider applications for exemption and to review policy issues. In 2005/2006, of the 33 applications for exemption received:

- 15 involved non-Canadian individuals and corporations
- 18 were comprised of Canadian-based corporations and other organizations with some non-Canadian interests
- 31 were approved and two were declined. Some of the approvals were made subject to certain conditions, such as becoming Canadian residents.

Manitoba Horse Racing Commission

The Manitoba Horse Racing Commission is responsible for controlling and regulating horse racing and the operation of race tracks in Manitoba. The commission confines its regulatory responsibilities to only those race tracks offering pari-mutuel racing.

Amendments to *The Horse Racing Commission Act* received Royal Assent on June 9, 2005. The changes directly affected the types of horse racing that the commission supervised.

The total combined and simulcast wagering for the year at Assiniboia Downs was $32,462,053.00, a decline of approximately $800,000.00 from the previous year. The Manitoba Great Western Harness Racing Circuit raced 21 days with an average daily wagering of $5,867.00 compared to $5,457.00 the previous year. There were a total of eight Quarter Horse races run at Assiniboia Downs and no similar races were run in rural Manitoba.

1 (g) Boards, Commissions and Legislation

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	457.0	8.00	547.7	(90.7)	
(2) Other Expenditures	476.9		695.2	(218.3)	1
Total Sub-Appropriation	**933.9**	**8.00**	**1,242.9**	**(309.0)**	

1. *The under expenditure is primarily due to expenditure management reductions and limiting discretionary expenditures to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 1 (h) – Land Use Planning

The primary objective of the Land Use Planning and Policy Knowledge Center is to support and protect Manitoba's agricultural land use and farm operations. This is to ensure a viable agricultural land base exists for present and future food production and diversification opportunities through sustainable land use planning, the agricultural Crown land management program, and the Technical Review process for livestock operations.

The Land Use Planning and Policy Knowledge Center is required to provide consistent positive planning and support to municipalities, planning districts and agri-industry by providing preliminary technical assessments, land use policy, and technical information on livestock operations. Also, the Centre is responsible to Chair and update the Technical Review Process, including terms of reference, report guidelines, applicant information forms and to coordinate multi-departmental input. Development of a new Land Use Planning and Policy Knowledge Center has evolved, incorporating the need to develop knowledge and communication support that fosters awareness of issues and opportunities related to land use planning.

Consistent with overall policy, the Center was responsible for the following activities and land use actions:

- Technical Review and Land Use supported over 700 land use proposals and 2500 leases on more than 2.4 million acres of Crown land.
- The Knowledge Center was responsible for the development of seamless program delivery in cooperation with the newly developed Crown Lands and Property Agency.
- *The Planning Act* (newly implemented) includes changes to assist planning for livestock, and requires development plans, zoning by-laws, and livestock operation policies within two years
- *The Technical Review Process Act* was incorporated in *The Planning Act* detailing specific requirements. Departments were required to consider the resource needs of the new Act.
- The Knowledge Center also had to consider land uses that compete and create land use conflict with agriculture opportunities in the present and future, including; hobby farms, rural residential and large lot subdivisions.
- Multi land use planning initiatives, including the potential allocation of land to resource users i.e.; forestry, agriculture, and parks.
- Agricultural Livestock Diversification: a broader maintenance of agriculture visibility for both present and future.

Land Use Acts, Regulations & Policy

The Land Use Planning and Policy Knowledge Center represents agricultural interests of:

- *The Crown Lands Act*
- *The Agricultural Crown Lands Act*
- *The Planning Act*
- *The Provincial Land Use Policies Regulation*
- Technical Review Process
- Development Plans
- Zoning By-Laws
- Livestock Operation Policies

The Knowledge Center also has an indirect role in other legislation, which includes:

- *The Environment Act*
- *The Water Protection Act*
- *The Water Quality Management Zones Regulation*
- *The Pesticides and Fertilizer Controls Act*
- *The Livestock Manure and Mortalities Management Regulations*
- *Building and Mobile Home Act*
- *Farm Practices Protection Act*

1 (h) Land Use Planning

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	392.0	7.00	508.4	(116.4)	1
(2) Other Expenditures	99.3		117.4	(18.1)	
Total Sub-Appropriation	**491.3**	**7.00**	**625.8**	**(134.5)**	

1. *The under expenditure is mainly due to expenditure management to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 1 (i) – Financial and Administrative Services

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture, Food and Rural Initiatives (MAFRI) programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The branch is involved in directing, developing, and administering financial support systems, financial planning, control, management, and reporting systems in the department. With the implementation of SAP, and the subsequent decentralization of financial authority and operational responsibility, the branch has developed a comptrollership framework resulting in controlled processes being implemented for the department. This framework will further ensure the efficient utilization and administration of the province's fiscal and human resources within MAFRI.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service Manitoba and Treasury Board initiatives, such as the Sustainable Development Procurement.

Administrative branch staff process revenue and central based expenditures in accordance with legislative, departmental, and Treasury Board requirements. As well, staff manage and provide coordination for the procurement card process, departmental assets, departmental fleet vehicles, parking program, physical accommodations including equipment, requests under The Freedom of Information and the Protection of Privacy Act (FIPPA), which involved processing 28 applications, records management activity, the summer and part-time student program, administration of contracts and guidelines, workplace safety and health activity and training and development in the department. Staff coordinated and edited the Department's Annual Report, the Legislative Estimates Debate, and Supplementary Information for Legislative Review.

Staff continued to support the French Language Services Plan by coordinating and monitoring departmental publications for translation, including publications for the Manitoba Agricultural Services corporation to ensure that agricultural services are offered to producers in various French language designated areas throughout Manitoba.

Accounting Services processed expenditure and transfer payments involving the Manitoba Agricultural Services Corporation (MASC), the Net Income Stabilization Account (NISA), Accommodation and Cost Recovery, Manitoba Telecom System, Mail Management Agency, Desktop, procurement cards, and other special payment requests such as the Canadian Farm Income Program (CFIP), and the Canadian Agriculture Income Stabilization (CAIS). Approximately 3,100 transactions in operating and capital expenditures were processed by Accounting Services, along with branch/division audits and year-end accrual entries. All payments were processed electronically.

The department signed the Canada/Manitoba Agricultural Policy Framework (APF) in 2004/2005 and the Branch is responsible for reporting and tracking the provincial contribution.

The Financial Administration unit provides management, financial, program, and related systems research and analysis for the department, cabinet, and Treasury Board on a timely basis. Staff compiles annual estimates, monthly cash flows, capital supply estimates, management reports, fund transfers, and financial information for various information requirements for the Annual Report, Treasury Board reviews, and the Legislative Estimates Debate within established time frames. Staff also provides cash management support for the coordination of cost centre and internal order development.

Sustainable Development

In 2005/2006, the Administrative and Accounting Branch staff participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development:

In 2005/2006, the Financial and Administrative unit provided administrative direction and support to the Principles and Guidelines of Sustainable Development:

Stewardship (Principle #2), Conservation and Enhancement (Principle #5)
Department staff were provided with guidance and updates in 2005/2006 that emphasized and encouraged the purchase of green products, the purchase of ethanol-blended fuel, the use of audio conferencing, and the use of aboriginal vendors.

Shared Responsibility and Understanding (Principle #3)
Staff education and awareness was maintained through communication on sustainable procurement activities and practices in the department through administrative representatives in each Branch and Knowledge Centre in the department.

Global Responsibility (Principle #7)
Staff participated in various central government committees and working groups such as the Green Building Committee to provide input into sustainable government practices.

1 (i) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	601.6	12.00	724.1	(122.5)	1
(2) Other Expenditures	247.1		379.8	(132.7)	1
Total Sub-Appropriation	**848.7**	**12.00**	**1,103.9**	**(255.2)**	

1. *The under expenditure is primarily due to expenditure management reductions and limiting discretionary expenditures to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 1 (j) – Human Resource Management Services

The Human Resource Management Services Branch is responsible for the development, implementation, administration, and monitoring of departmental human resource programs and systems for Manitoba Agriculture, Food and Rural Initiatives (MAFRI). Elements of these programs include:

- recruitment and selection
- staff training and development
- employee relations
- benefits administration and payrolls
- wage and salary administration
- performance review/evaluation
- personnel records

In addition, the Branch provided human resource advice and assistance to the management of the Food Development Centre (FDC).

During 2005/2006, the Branch assisted in filling 79 positions. The Branch also assisted with the recruitment of 54 students in the summer program, which included part-time STEP program students and the Co-Op Student Program for temporary employment. Human Resources assisted with implementation of the Voluntary Reduced Work Week Program (VRW) in which 72 staff participated with a total of 421 VRW days taken during 2005/2006. The Branch also continued to assist with human resource issues associated with the implementation of Growing Opportunities.

The Branch continued to administer the Department's pay/benefits system and classification system, and maintained payroll records for staff. Leadership for comprehensive human resource services were provided, and coordinated for MAFRI and FDC.

Human Resource Management Services continued to support the French Language Services Plan to ensure that French language staffing initiatives met strategic needs.

Employment Equity continued to be a selection criterion in the recruitment process. As of March 2006, the Department's representation in the Employment Equity target groups was 58.05% Female, 0.9% Aboriginal, 2.4% Persons with Disability, and 3.5% Visible Minority.

Specialized training (versus general training) continued to be the focus, concentrating on areas such as:

- Growing Opportunities Training
- Management Update
- Legendary Service
- Extension
- Information Technology
- Professional/Technical Update
- Orientation Program
- Leadership Development
- Workplace Health & Safety
- Systems Applications Product (SAP) training

Branch staff assisted in the resolution of various labour relations issues in consultation with department management, supervisors, and employees, as well as Labour Relations and the Manitoba Government Employees Union.

The Human Resource Branch is part of an amalgamated human resource unit for the Departments of:

- Manitoba Agriculture, Food and Rural Initiatives
- Manitoba Conservation
- Manitoba Water Stewardship
- Manitoba Intergovernmental Affairs and Trade

Each Department maintains on-site Human Resource Management Services. However, the Pay and Benefits section for all three departments are at the same location.

1 (j) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	372.1	5.00	337.8	34.3	
(2) Other Expenditures	47.3		48.4	(1.1)	
Total Sub-Appropriation	**419.4**	**5.00**	**386.2**	**33.2**	

Appropriation 2
Risk Management, Credit and Income Support Programs

The Manitoba Agriculture Services Corporation provides for the amalgamation of the Manitoba Agricultural Credit Corporation and the Manitoba Crop Insurance Corporation in 2005/2006. A variety of credit programs including direct loans, refinancing and loan guarantees, voluntary crop production insurance, wildlife damage compensation and special assistance programming will be offered. These programs assist farmers with their financial needs and assist in minimizing the impacts that natural perils have on production.

Appropriation 2 (a) – Manitoba Agricultural Services Corporation

On September 1, 2005, the Manitoba Agricultural Services Corporation (MASC) was created through a merger of the Manitoba Crop Insurance Corporation (MCIC) and the Manitoba Agricultural Credit Corporation (MACC). The MASC's objective is to provide Manitoba's agricultural producers with financial products and services that help manage agricultural risk and assist in the sustainable development of rural Manitoba. The MASC's responsibilities are outlined in *The Manitoba Agricultural Services Corporation Act*.

Insurance

MASC is responsible for the development and delivery of Production Insurance in Manitoba. In 2005/2006, about 13,500 farmers (over 9,700 separate production units) were insured with a total liability of $970 million. $300 million in excess moisture and production insurance was paid out. Elements of MASC's responsibilities include:

- providing insurance on 54 different crop types, covering over 7.9 million crop acres.
- 1.4 million acres of insured land qualified for compensation under the Excess Moisture Insurance feature of Production Insurance.
- in total, over 85% of Manitoba's cultivated land is covered by Production Insurance.

MASC offers separate spot loss for hail and fire losses. Farmer premiums cover all of the related costs, including administration. In 2005/2006, 3,400 farmers were insured with a total liability of $285 million.

Lending

MASC provides direct loans, operating loan guarantees, livestock associations' loan guarantees, and diversification loan guarantees to Manitoba farmers. Special emphasis is placed on the young, beginning, and/or expanding farm operations. MASC also focuses on farm diversification and value-added production, which are vital to the stability and future of rural communities.

MASC provides Young Farmer Rebates and Management Training Credits (under the Bridging Generations Initiative) to eligible young farmers (39 years of age and under). In 2005/2006, payments from these programs totalled $1.4 million.

MASC is committed to providing responsive programming as Manitoba farmers continue to face many challenges. The extension of the Bovine Spongiform Encephalopathy (BSE) Recovery Loan Program to assist Manitoba's ruminant producers is an indication of MASC's responsiveness.

During 2005/2006, MASC's lending activity included over 800 loans totalling $63.4 million; essential details included:

- a total of 223 guarantees were approved on $79.7 million of loans, with contingent liability of its guarantees being $19.9 million
- MASC assumed responsibility for the administration of the Rural Entrepreneur Assistance (REA) Program. As part of the Rural Economic Development Initiative, REA provided guarantees on $1.9 million in loans (contingent liability of $1.5 million) to small businesses in rural Manitoba in 2005/2006

Other Initiatives

MASC administers a number of other initiatives, including the Wildlife Damage Compensation Program, which provides compensation for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by natural predators.

The Canada-Manitoba Fed Cattle Set-Aside Program, a BSE related ad hoc program, was administered by MASC on behalf of the Province of Manitoba and the Government of Canada in 2005/2006.

More information on MASC's 2005/2006 insurance activities and lending results can be found in the MASC Annual Report.

2 (a) Manitoba Agricultural Services Corporation

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments:					
(1) Administration - Manitoba Agricultural Credit Corp.	3,896.7	56.00	4,889.2	(992.5)	1
(2) Administration - Manitoba Crop Insurance Corp.	5,001.4	94.00	4,532.8	468.6	2
(3) Insurance Premiums	19,778.1		23,098.0	(3,319.9)	3
(4) Wildlife Damage Compensation	867.1		732.4	134.7	4
(5) Net Interest Costs and Provisions	1,316.3		1,356.0	(39.7)	
(6) Special Farm Assistance	29.1		100.0	(70.9)	5
(7) Emergency Loan Assistance	141.3		141.3	-	
(8) Bridging Generations Initiative	304.4		304.4	-	
Total Sub-Appropriation	**31,334.4**	**150.00**	**35,154.1**	**(3,819.7)**	

1. *The under expenditure is primarily due to the effects of the merger of the two corporations (Manitoba Crop Insurance Corporation and Manitoba Agricultural Credit Corporation). Certain activities were postponed and other items were deferred pending results from strategic planning.*
2. *The over expenditure is mainly due to higher than average administration for the Production Insurance program due to the higher than average claim activity.*
3. *The under expenditure is mainly the result of lower than expected seeded acres caused by excess moisture in the spring of 2005.*
4. *The over expenditure is mainly due to higher claim activity in the Big Game and Waterfowl programs partially offset by lower than expected claim activity in the Predator program.*
5. *The under expenditure is due to unusually low claims made under the loan payment guarantee program.*

Appropriation 2 (b) – Canadian Agriculture Income Stabilization Program (CAIS)

CAIS is a national safety net program that aids farmers to stabilize their incomes based on their own past results. It provides cash assistance when the farm's current year margin (a proxy of income) drops below the farm's reference period margin. Producers and governments share in covering the drop, with the government share increasing as the drop deepens.

CAIS is one of the two core programs under the Business Risk Management component of the Agricultural Policy Framework, the other being Production Insurance. The government portion of CAIS is funded by the federal and provincial governments on a 60/40 basis. The program was implemented as of the 2003 tax year, and is governed by the Canada-Manitoba Implementation Agreement which has a five year renewable term.

The federal government administers CAIS for Manitoba. In 2005/2006 producers provided financial information for the 2004 tax year, and signed up for coverage for the 2005 tax year. Payments were made to producers who incurred a drop in margin in 2004, and interim payments for 2005 were made available.

For the 2004 program year:

- 17,183 Manitoba producers selected coverage under the CAIS program with 7,000 producers receiving a payment.
- The total payments are expected to be approximately $155.8 million, of which Manitoba's share is $62.3 million.
- In addition, Manitoba's share of administration costs was approximately $4.1 million.

For the 2005 program year:

- 17,659 Manitoba producers selected coverage under the CAIS program.
- 2,150 producers had received approximately $111.3 million in interim payments.
- Final payments will begin flowing to producers in 2006/07.

The Manitoba CAIS Appeals Sub-Committee began operations in October 2005, and provided recommendations on 51 formal appeals by producers for the 2003 and 2004 CAIS program in 2005/2006.

The 2005/2006 appropriation is for the 2005 CAIS program year. As the information required to calculate the payments is not available until the following year, program payments are estimated at year end. Payments are expected be substantially higher than the previous two program years, due to losses incurred by crop producers in many areas from flooding and excess moisture in 2005.

2 (b) Canadian Agricultural Income Stabilization Program

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	143,075.0		52,501.0	90,574.0	1
Total Sub-Appropriation	**143,075.0**		**52,501.0**	**90,574.0**	

1. *The over expenditure is mainly due to lower than normal returns for agricultural producers in Manitoba in 2005 and additional accruals required for 2004 due to revised forecasts from the federal government. 2005 was an exceptionally poor year for Manitoba producers, with about 25% of crop land unseeded or destroyed due to excess moisture, low yields on most remaining land, high fuel prices, and poor crop quality. In addition prices of most major crop commodities were lower.*

Appropriation 2 (c) – Livestock Industry Development Assistance

The Livestock Industry Development Assistance (LIDA) fund was used to support strategic activities, which fostered the sustainable expansion of the beef sector within the livestock industry. In particular, the LIDA fund supported the strengthening and stabilization of beef sectored incomes by facilitating the development of new markets and clients for livestock and meat products. This was made possible through the *Manitoba Meat Buyer's Guide* and the establishment of the Rancher's Choice beef processing facility in Dauphin.

2 (c) Livestock Industry Development Assistance

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	159.2		1,000.0	(840.8)	1
Total Sub-Appropriation	**159.2**		**1,000.0**	**(840.8)**	

1. *The under expenditure is primarily due to the review and deferral of projects as part of the department's expenditure management process to meet higher than expected income support program costs.*

Appropriation 2 (d) – Farmland School Tax Rebate

The primary objectives for the Farmland School Tax Rebate initiative are to foster increased equity among rural land owners in the provision of support for educational costs in their local Rural Municipality. Further objectives include reducing costs and fostering greater net farm income stability.

In 2005/2006, responsibility for the administration of the Farmland School Tax Rebate was transferred from the Manitoba Department of Finance to MASC. The 2005 program provided a rebate of 50% of the school tax paid on Manitoba farmland. This is an increase from the 2004 rebate of 33%: landowners have three years to apply for the rebate. The full cost of the program is paid by the Manitoba Government. As of March 31, 2006, MASC had processed over 30,000 applications with total rebates of $15.9 million.

2 (d) Farmland School Tax Rebate

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	20,905.7		20,435.0	470.7	1
Total Sub-Appropriation	**20,905.7**		**20,435.0**	**470.7**	

1. *The over expenditure is mainly due to additional program rebates as a result of increased rural school taxes. The 2005/06 Estimate reflects amounts as displayed in the printed Main Estimates on behalf of the Department of Agriculture, Food and Rural Initiatives, as well an allocation from Enabling Appropriations for administration costs associated with the program.*

Appropriation 2 (e) – Less: Recoverable from Rural Economic Development Initiatives

This program provides for the recovery of expenditures related to:

- Community and Regional Development Initiatives and Economic Development Initiatives
- Grants to the Regional Development Corporations, from the Rural Economic Development Initiatives Program

2 (e) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Recoverable from Rural Economic Development Initiatives	(743.6)		(1,537.7)	794.1	1
Total Sub-Appropriation	**(743.6)**		**(1,537.7)**	**794.1**	

1. *The under expenditure is mainly the result of reduced recovery from Rural Economic Development Initiative due to less expenditures under the Livestock Industry Development Assistance program (see explanation in Appropriation 2(c)).*

Appropriation 3
Agri-Industry Development and Innovation

The Agri-Industry Development Division includes the following Knowledge Centres: Livestock, Crops, Land Use Planning and Policy, Agri-Environment, Chief Veterinary Officer/Food Safety, and Agri-Food Innovation and Adaptation. The Division also provides joint oversight, along with Manitoba Labour and Immigration, for the Farm Safety Coordinator.

The Knowledge Centres provide technical support, leadership, specialized services and information to staff, producers, and industry to enhance the development of Manitoba's agri-food industry and rural economy. They develop and extend leading edge knowledge in specialized areas that also provide advice on the control and prevention of crop and livestock diseases. They administer the various laboratories and programs including the veterinary and crop diagnostic laboratories, as well as providing advice and professional support in the areas of agronomy, livestock production, veterinary science, food safety, environmental sustainability, diversification, research, innovation and adaptation. The Knowledge Centres provide liaison and co-ordination of research with provincial and federal agri-food research agencies.

Agri-Food Research and Development Initiative:

This initiative provides funding for an agriculture development and research initiative aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector.

Agricultural Sustainability Initiative

This initiative provides funding assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices.

Grants to the University of Manitoba and the Prairie Agricultural Machinery Institute:

These grants provide funding in support of agricultural research.

3 (a) – Livestock Industry

The mandate for the Livestock Industry Knowledge Centre (LIKC) is to further develop the primary and secondary livestock industries in Manitoba through support in the areas of farm production, business development and disease diagnosis. Responsibilities of the Knowledge Centre are provincial, national, and international in nature. The structure of the LIKC includes three sections:

- Farm Production Extension (FPE)
- Industry Focus (IF)
- Veterinary Diagnostic Services (VDS)

- The FPE Section provided livestock programs, support, expertise, and resources in livestock production and animal health to Growing Opportunity (GO) Teams, producers, veterinarians, industry groups and other stakeholders.

- The Industry Focus (IF) Section worked with GO areas, other Knowledge Centre business development specialists, industry groups, processors, stakeholders and others to expand both primary production and secondary livestock industries in Manitoba.

- The VDS Section operated the Veterinary laboratories working closely with the Chief Veterinary Officer (CVO), the Food Safety Knowledge Centre, and Canadian Food Inspection Agency (CFIA) to

provide veterinary support for livestock diseases, animal health issues, and surveillance for foreign animal disease in Manitoba.

Beef Cattle

The Farm Production Extension (FPE) Beef Specialist and the Business Development Specialist (BDS) Finished Beef, provided technical support to GO Teams, producers, and industry representatives. Staff made producer visits, attended all five days of beef week, provided information on current management, marketing techniques, and issues facing the beef industry. Staff continued to be involved in Bovine Spongiform Encephalopathy (BSE) Federal/Provincial advisory committees.

Staff were involved in a number of activities including:

- developing/revising web pages and other extension materials;
- presenting at over 50 producer meetings,
- being involved in exploring business development and value added opportunities including forage fed and organic beef;
- developing training/informational materials for GO Teams which were delivered through seminars, teleconferences, and a horizontal ruminant committee;

A computerized registry for 6,096 livestock brands was maintained, of which, 3,396 included active brands. Licences were issued to 98 livestock dealers and 89 agents. Surety levels were evaluated for all 98 dealers. Thirty-eight visits were made by staff to the 13 stock yards to check licenses and administer *The Livestock and Livestock Products Act*.

Dairy

Staff continued to work closely with Manitoba producers and Dairy Farmers of Manitoba (DFM) to solve milk quality problems. Activities included:

- testing equipment
- milk sampling
- developing action plans
- milk management evaluation
- record interpretation

DFM directed staff to producers in milk quality infraction penalty. The Business Development Specialist (BDS) - Dairy liaised with the producers' veterinarian and equipment dealers in making changes to ensure the producers stay out of penalty. In addition to milk quality, MAFRI staff made a number of on-farm consultations in many other areas of dairy production, such as:

- health
- barn redesign and set up
- stray voltage
- cow comfort
- nutrition
- reproduction

Extension presentations were delivered to producers, staff, and university/college students.

The BDS-Dairy coordinated with Manitoba Hydro and DFM to hold a one day seminar on the concepts, problems and solutions to stray voltage on dairy barns. The BDS-Dairy liaises closely with Manitoba hydro electrical engineers, and those producers experiencing stray voltage problems. A meeting was organized by MAFRI representatives between Hydro, DFM, and the producers concerned. As a result of this meeting, Hydro has committed to finding the problem. To date, numerous upgrades have been made on the supply to affected farms. Work monitoring is still ongoing. As well, the Cost of Production spreadsheet for a 100 kg quota facility was updated with 2005 information.

Producers have identified a shortage of trained employees. The BDS-Dairy, in conjunction with Assiniboine Community College, has developed a dairy herdsperson training course to increase the number of trained personnel. Four modules of the dairy herdsperson course were delivered over the past winter. A working group consisting of MAFRI staff, university staff, DFM board members, and producers

has been established to become advisors in relation to course content and direction. In total, 24 people enrolled in the course at two locations. Feedback has been very encouraging, and an increased range of modules is planned for the upcoming winter.

There has been renewed interest in organic milk production in the province. MAFRI staff was approached by an organic milk co-op with the aim to recruit Manitoba producers to sell under their brand name. The BDS-Dairy co-ordinated with the co-op to set up an initial meeting with relevant producers and DFM staff. The meetings resulted in two open producer meetings scheduled in March and 15 producers showing interest.

The BDS-Dairy has been working closely with the Black family farm: an organic cereal and forage farm with a dairy herd to develop an organic herd transition plan.

Swine

MAFRI staff continued to work with the industry that produced approximately 8.2 million pigs during 2005/2006. The BDS-Swine assisted producers, veterinarians, and agri-business on analyzing operations to increase profitability, relocation and expansion of operations, quality assurance programs, alternative low cost housing such as hoop barns, and least cost environmentally sound rations. Staff worked extensively with producers in developing Black Pig Pork Production and markets for their product.

The Manitoba Swine Seminar was organized and attracted 420 participants. The theme of the seminar was "Sharing Ideas and Information for Efficient Pork Production" and featured a professionally prepared proceedings book. Articles from the Manitoba Swine Update and the proceeding papers from the Manitoba Swine Seminar were posted on MAFRI's Pork Website.

Staff participated in the department-wide initiative to increase swine production knowledge through producer meetings, new fact sheets, radio interviews, updating cost of production guidelines, and contributed to the updating of fact sheets in the "Living with Livestock Production" series. They also developed training/informational materials for GO Teams which was delivered through seminars and a horizontal swine committee.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee (PPTC), which developed the Pork Production Manager Training Program. The committee provided input toward the development of the Pork Production Technician Apprenticeship program. The PPTC also provided informational presentations about pig production in Manitoba for international clients from Chuvashia and China.

The Business Development Specialist - Swine was a member of Manitoba's Phosphorus Expert Committee and participated in several committee meetings. In addition, the BDS assisted with the preparation of a document outlining the committee's recommendations. Other activities included:

- being a member of the Western Nutrition Conference 2006 planning committee
- preparing and delivering the Applied Swine Nutrition course for the Animal Nutrition Association of Canada's Feed industry Advisory Certification Program
- participation on committees that culminated in the OLYWEST announcement
- participated in a five week secondment to the Canada-Ukraine FARM program in September-October 2005 which involved numerous presentations in the Ukraine

Equine

Equine extension and technology transfer in the areas of equine ranching, light/pleasure horses, feedlots, and hobby horse industries were carried out through staff and producer contacts. Technical information was prepared in response to requests from individuals and industry.

The BDS – Equine is designed to ensure that producers and owners of horses, breed associations, the Manitoba Horse Council, other governmental departments, and the general public have access to the most current technical information on the equine industry. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on Pregnant Mare Urine (PMU) Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

Staff, in co-operation with the 4-H Program and Manitoba Equine Ranchers, developed and continued to work with the 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals.

Bison

The role of the BDS - Bison is to ensure that new and existing producers have access to the most current technical information on bison production. Practical and detailed bison management recommendations were provided through industry meetings, farm visits, and direct producer calls. There were also consumer direct calls and e-mails regarding information on bison meat products. Bison production with First Nations involved an increasing number of contacts.

The BDS – Bison worked with the Canadian Bison Association in the ongoing development of the Canadian Bison Association On-Farm Food Safety Program. The staff assisted the Manitoba Bison Association in the promotion and guidance of various industry development activities including seminars and a bison annual meeting.

In 2004, the Manitoba Bison Association was able, with the help of the Western Regional Tribal Council Farm Advisor, to develop a First Nations Market Station project to demonstrate the growing out and marketing of bison in an efficient manner.

Sheep

The Sheep Extension Program ensures that both existing and new producers have access to the most current technical information on sheep production. In co-operation with Manitoba Sheep Association, department staff participated in a number of extension meetings and field days.

The acting BDS - Sheep and Goats continued to participate in the steering committee of the Manitoba Sheep Industry Initiative, which was supported financially by the Manitoba Rural Adaptation Council Inc. (MRAC). The Western Canadian Flock Health Program has a food safety, flock health, and value chain component, and is now being implemented in Manitoba.

Manitoba's sheep and lamb industry is the sixth largest in Canada. The 2005 inventory consists of 35,500 ewes, which is 6.4 per cent of the total number of ewes in Canada. Manitoba has the largest sheep feedlot operation in Canada, feeding 80,000 lambs annually.

Goats

The acting BDS - Sheep and Goats and the Manitoba Goat Association (MGA) continued to develop a business plan to meet the needs of the industry. A number of consultations were dealt with by telephone. The MAFRI/MGA website continued to be updated. The goat industry is working on development of a national on-farm food safety program and a national identification program.

The number of Manitoba goat farms remained constant, and the number of goats remained constant at 13,000. Manitoba presently holds seven per cent of the number of goats in Canada.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. In co-operation with the poultry industry, nine industry and small flock seminars were organized with a total attendance of 230 people. Topics covered include: on-farm food safety, biosecurity, barn ventilation and avian influenza. The workshops also formed four producer newsletter articles, and six web pages for the MAFRI web site.

Almost all hens in Manitoba are now killed on-farm and shipped to a supplier. Consequently, End-of-Lay hens have almost no value. No processor on the Canadian prairies will accept live end-of-lay hens. If the meat meal market continues to deteriorate, rendering may no longer be an option. At some point, it may be necessary to routinely compost the carcasses of over two million birds' on-farm in Manitoba. In an avian influenza outbreak, on-farm composting is the preferred disposal method. Current Canadian Food Inspection Agency (CFIA) recommendations, however, are based on experience in composting broilers in the mild weather in British Columbia.

In co-operation with Manitoba Egg Producers (MEP), a field trial was conducted to develop on-farm composting methods that are appropriate for laying hens in Manitoba conditions. Two trials were done involving 120,000 birds which demonstrated how to compost in winter in Manitoba. The farmer who co-operated with the trial is now composting all of his birds annually on-farm.

Organic Drug Free Diets, a co-operative project, was started with a local organic feed mill and private veterinarian. The BDS- Poultry obtained MRAC funding and designed the study. All eight commercial farms with organic broiler chickens in Manitoba participated. The project identified strong vaccine challenge and drinker management as major factors influencing gut health.

The BDS - Poultry obtained funding and helped conduct a major trial at the University of Manitoba which tested the response of modern and two heritage broiler strains to two drug-free diets. The trial obtained the performance, health, yield and sensory characteristic data needed to write a business plan on niche broiler markets. A Manitoba farm is the North American source for one of the heritage breeds.

The Cracked Egg Workshop, a co-operative project with University of Manitoba, CFIA and Manitoba Egg Producers, used case studies, group discussion, and a hands-on laboratory. The usefulness of the information was rated as "Excellent" by 85% of participants. The workshop used techniques designed to improve transfer of learning to on-farm application.

The BDS - Poultry coordinated registration of small poultry flocks; Manitoba is one of only two Canadian provinces that can identify the location of backyard flocks. The BDS also coordinated the development of a commercial poultry farm database which is compatible with the commercial pig producers' database and co-wrote a vulnerability assessment for introduction of avian influenza into domestic poultry: Manitoba is the only Canadian province to have published an assessment. The BDS facilitated the creation of the Manitoba Goose Association so that goose producers could be represented in discussions of avian influenza. The BDS – Poultry also conducted a survey of outdoor and waterfowl risks on Manitoba turkey farms; over 95% of turkey producers participated. The BDS-Poultry is Chair of the Market Recovery Committee of the Federal/Manitoba H5N1 Avian Influenza Working Group.

The BDS – Poultry and the Poultry Technologist assisted in staffing the Manitoba Egg Producers' caged hen displays at the Red River Exhibition in Winnipeg and the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

The Poultry Technologist and the BDS-Poultry assisted with the documentation and blood testing for breeder flocks needing export permits. Veterinary Diagnostic Laboratory staff tested all of the samples collected. The government-testing program supported the export of $6 million worth of chicks and poults to the USA in 2005. Without the involvement of the province to oversee and provide third party verification of the results, these exports could not occur. The testing program also helped to provide

quality assurance to the customers in other provinces who purchased an additional $7 million worth of chicks, poults, and hatching eggs from Manitoba hatcheries.

Aquaculture

The position of the BDS - Aquaculture was created and introduced as part of the MAFRI GO Initiative. The position is part of the Industry Focus Section in the Livestock Knowledge Centre.

Aquaculture (the farming of aquatic species in a controlled environment) is a major growth industry, and is the fastest growing food production sector in the world. The value of fish produced on Canadian fish farms increased from less than $2 million in 1984 to more than $600 million in 2003.

There are presently five major aquaculture operators in Manitoba, including three grow-out facilities, two of which produce fingerlings. There are two brokers who imported fingerlings from the US and distributed them in the spring of 2005 to 28 licensed commercial operators who raised fish for sale, and 579 unlicensed hobby fish farmers who stocked private waters for their own use. There has been considerable demand from the Association of Commercial Inland Fishers for assistance from the MAFRI Aquaculture Specialist in business development issues, such as: improving returns on rough fish, and succession planning for fishermen.

Nutrition

The Farm Production Extension (FPE)- Animal Nutritionist, along with other Livestock Knowledge Centre Specialists, provide nutritional information and ration formulation on all livestock species to GO Teams, producers, veterinarians and organizations. Information and formulation is based on current research to provide least cost, maximum producing, and environmentally sound rations.

In 2005/2006:

- over 400 individual rations were formulated;
- The Nutrition Update Newsletter was put out three times;
- fact sheets were updated and new ones developed including those on Mouldy Feed and Nitrates (inter-provincial); and
- presentations made at producer meetings and training sessions held for producers and GO Teams on the use of Cow Bytes.

Staff was also involved in a number of research projects including ones on alternative feeds and the use of by-products in rations.

Engineering

The focus of the engineering program is to provide advice to industry, GO Teams and primary producers in the area of livestock facility design, construction, management and operation, and for providing engineering support for secondary processing and value added initiatives in the livestock sector. Staff provided advice on farm planning and building design, providing producers with 120 individual plans including 59 for beef cattle facilities, 50 for hog facilities including conversion of PMU barns to swine facilities in seven cases, one dairy facility and seven other livestock housing plans.

Other activities included providing technical advice regarding manure storage design, grain drying and aeration system design, farm machinery selection, and participating in technical reviews and ten public conditional use hearings.

Veterinary Field Services

In 2005/2006, Veterinary Field Services Section administered *The Veterinary Services Act* and *The Veterinary Science Scholarship Fund Act*. Under *The Veterinary Services Act*, the Centre provided provincial grants to 28 veterinary districts to deliver service to rural Manitoba. During the year, meetings

were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Centre assisted the Veterinary Services Commission with the administration and distribution of a $200,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program. The Commission, with help by the province and districts, also went to the Western College of Veterinary Medicine in Saskatoon, Saskatchewan on a recruitment trip in the fall.

In 2005/2006, to further recruit veterinarians into Manitoba specifically for rural practice, the province, under *The Veterinary Science Scholarship Act*, gave 27 Manitoba veterinary students educational funds that are forgiven at the rate of 20% for every year spent in a Manitoba rural practice upon graduation. In addition, the Centre administers the Large Animal Veterinary Retention Program started in 2005/2006, which provides students in 3rd and 4th years of their studies $5,000 each which is forgivable for 12 months in a Manitoba rural practice. In 2005/2006, there were nine students in this program. Through the Summer Student Employment Program, 23 students in 2005 were provided with practical experience in rural clinics and in the Veterinary Diagnostics Services, while being encouraged to practice in Manitoba's rural areas upon graduation

To assist Manitoba producers in prevention, control and eradication of important production and foreign or zoonotic diseases, veterinary extension staff and other Centre staff were involved in a number of disease programs and provided information through producer and staff meetings, fact sheets, farm visits and work shops.

For the Manitoba Bovine Tuberculosis (TB) Management Program, the Section provided $98,500 and staff to participate in certain parts of the program including barrier fencing, education and research. A fact sheet for producers on how to prevent TB transmission from infected wildlife was produced in 2005/2006 and two open houses and seminars were developed and delivered in the Riding Mountain area.

The Western Canadian CanWest DHI Johne's disease project was delivered to Manitoba dairy producers in 2005/2006. To help control the anthrax outbreak in the summer of 2005, four producer and three veterinarian meetings were held.

To assist the reporting of rabies cases, the Section administered the Rabies Indemnity Program; a federal-provincial initiative. Payments to producers with affected livestock totalled $8,205.00 for 2005/2006 with a federal reimbursement of 40%.

To assist veterinarians in the collection of specimens for Bovine Spongiform Encephalopathy (BSE), Scrapie and Chronic Wasting Disease (CWD), kits and submission forms with required information were developed and distributed.

Also in 2005/2006, five on farm disease / poor production problems, and one outbreak of Bovine Viral Diarrhea (BVD) involving multiple farms were investigated. A research project on Liver Flukes was also started. Fact sheets, producer meetings and articles were produced that covered BVD, Liver Flukes, TB, BSE, Johne's, and Biosecurity plus general topics of swine and beef herd health.

Veterinary Diagnostic Services (VDS)

VDS provides technical and specialist services to rural and urban veterinarians through the province's veterinary diagnostic laboratory. The laboratory produced effective results:

- The laboratory received 17,933 cases and performed 172,887 tests which is an increase of 10.9 and 36.7% respectively over 2004/2005.
- Since 2003/2004, surveillance testing for swine has increased 100% due to outbreaks of swine diseases such as swine influenza due to H3N2, emergence of Porcine Circovirus as a major cause of losses in Quebec and Ontario, persistence of Porcine Reproductive & Respiratory Syndrome, and the re-emergence of porcine transmissible gastroenteritis.

Producers benefit from the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs, and poultry provide a

quick turn-around of results and greater utilization of services by livestock producers. Whole herds are tested for certain diseases such as Bovine Virus Diarrhea in cattle and Porcine Reproductive and Respiratory, Swine Influenza Virus H1N1 & H3N2, Mycoplasma pneumonia and Transmissible Gastroenteritis Virus in hogs.

Severe drop in egg production in turkey layer flocks caused by Swine Influenza Virus H3N2 was rapidly diagnosed with PCR. Advances in PCR technology, such as the Real-Time PCR, allows increased sensitivity of testing.

New research in surveillance methods for diseases such as Johne's and Neosporosis in cattle, and Chronic Wasting Disease (CWD) in elk and deer has contributed to an increase in the numbers of tests performed. The Transmissible Spongiform Encephalopathy (TSE) Screening Laboratory official opening was in June, 2005. In October, the lab was certificated for CWD and Scrapie and certified in December for Bovine Spongiform Encephalopathy (BSE). The Level 2 TSE screening laboratory is part of the National TSE Veterinary Laboratory Network and performs surveillance for transmissible spongiform encephalopathies of ruminants including Bovine Spongiform Encephalopathy (BSE), Chronic Wasting Disease (CWD) and Scrapie using the Bio-Rad Elisa rapid test. Laboratory procedure, collection and testing included:

- Sample collection by private veterinarians and CFIA field staff from farms and dead stock operations in Manitoba. Clinical history is recorded. Samples of brain and ear are collected and labelled for trace back. In the event of non negative samples, the TSE Reference Laboratory, National Centre for Foreign Animal Disease is contacted.

- The sample is retested at the surveillance laboratory and duplicate specimens are tested by the reference laboratory for confirmation. Since the laboratories certification, there have been 523 samples tested for BSE in 2004/2005.

- The laboratory conducted West Nile Virus (WNV) surveillance in conjunction with Manitoba Health, Manitoba Conservation, the City of Winnipeg, and rural veterinarians. Surveillance for WNV included mainly processing, sampling, and testing of corvid samples. There were 351 birds tested and 16 positives for WNV in 2005/2006. The laboratory recorded information on these samples directly into a national database that is maintained by the Canadian Co-operative Wildlife Health Centre in Saskatoon.

- The laboratory diagnosed an outbreak of Tularemia in pet hamsters and conducted monitoring of the premise in conjunction with Manitoba Health.

- The Livestock Industry Knowledge Centre continued to support the Bovine Tuberculosis program in MB through representation on the various committees that direct the program. The number of samples submitted for Bovine Tuberculosis (TB) testing in 2005/06 increased to 1,150 from 1,016 in 2004/2005 and from 429 in 2003/2004.

- The laboratory participated in the National Wild Bird Surveillance program led by the Canadian Cooperative Wildlife Health Centre. The majority of the workload included:

    - 559 wild duck samples were tested with 92 positive for the Influenza virus matrix gene;
    - Five of these were positive for Influenza virus H5N1, subsequently identified as low pathogenic forms by National Centre for Foreign Animal Diseases.

To increase the National capability for foreign animal disease surveillance, all provinces have agreed to participate with the Canadian Food Inspection Agency (CFIA) in the Canadian Animal Health Surveillance Network (CAHSN). VDS along with other MAFRI staff completed preparedness planning for the predicted spread of Highly Pathogenic Avian Influenza (HPAI) to North America, possibly by the fall of 2006.

The LIKC continued to work with CFIA, Emergency Measures Organization, and producer groups to ensure that contingency plans are adequate and in place for Manitoba and Canada in preparedness for highly contagious foreign animal disease outbreaks in Canada or in the USA. The British Columbia outbreak of Avian Influenza in 2004 indicates how costly these incursions can be.

VDS assisted in supporting livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. Centre staff presented pathology demonstrations to Red River College (RRC) students and to veterinarians seeking accreditation for the Western Canadian Flock Health Program. They also provided assistance to the instructors of the Animal Health Technology course at RRC.

Sustainable Development

In 2005/2006, the Livestock Knowledge Centre participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Stewardship (Principle #2)

Centre staff continued with the development and delivery of an accreditation program for veterinarians wishing to participate in the Western Canadian Flock Health Program for sheep.

Shared Responsibility and Understanding (Principle #3)

Centre staff monitored diseases of economic, public health, and international trade significance. The Centre assisted producers in monitoring and controlling disease outbreaks through surveillance testing for BSE, TB, WNV, and CWD.

3 (a) Livestock Industry

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	4,147.7	69.55	4,425.6	(277.9)	
(2) Other Expenditures	1,579.9		1,670.7	(90.8)	
(3) Grant Assistance - Operating					
-Grants/Transfer Payments	519.3		474.9	44.4	
(4) Grant Assistance - Capital					
-Grants/Transfer Payments	200.0		200.0	-	
Total Sub-Appropriation	**6,446.9**	**69.55**	**6,771.2**	**(324.3)**	

Appropriation 3 (b) – Food Safety

The overall objectives of the Office of the Chief Veterinarian (CVO)/Food Safety Knowledge Centre are to provide Manitoba industry with a coordinated approach for food safety, animal health and animal welfare; support the Office of the CVO; to develop a strategic food safety plan in consultation with stakeholders and partners; and to develop farm food safety programs and initiatives with a focus on prevention.

The CVO and Administrative Assistant positions were filled effective September 1, 2005. Two sections were created: the Animal Health and Welfare Section, and the Food Safety Section. After the Animal Health and Welfare initiative was approved in 2005, the creation of two new positions evolved: a Disease Control Veterinarian and an Epidemiologist/Risk Analyst. Additional funds were approved to permit the CVO's office to conduct early warning surveillance and outbreak investigations for new and emerging disease threats, such as avian influenza.

Animal Health and Welfare Section

The Animal Health and Welfare Section is a new division of the Office of the Chief Veterinarian and currently under development. The objectives of the Animal Health and Welfare Section for 2005/2006 were to:

- provide the necessary resources for investigation of new or emerging livestock diseases while promoting animal health;
- encourage the use of veterinary services and laboratory diagnosis by livestock producers;
- conduct animal disease surveillance; and
- administer the Humane Inspection Program in the province.

Traceability

The CVO was appointed to the Federal/Provincial/Territorial (FPT) Traceability Task Team (TTT), mandated to establish an Agri-food traceability system in Canada. The short term goal of this group is to establish the essential elements of a multi-species livestock traceability infrastructure, to be in place by December 2007. This group reports to the regulatory Assistant Deputy Ministers (ADMs).

Zoonotic Diseases

A Zoonotic Diseases Steering Committee was established in 2006. It is comprised of Manitoba Health, Manitoba Agriculture, Food and Rural Initiatives (MAFRI), Manitoba Conservation, with additional representatives from Workers Safety and Health (WSH) and the Canadian Food Inspection Agency (CFIA). The mandate is to implement a structure and process that will bring together the intradepartmental and intersectoral stakeholders necessary to plan the surveillance, risk assessment and the response to zoonotic diseases or potential zoonotic diseases. The committee may establish subcommittees or link with existing committees to carry out its mandate.

The CVO also participates on a number of FPT committees, such as: Enteric Zoonotic Disease and Non-enteric Zoonotic Disease Consultative Committees under the Public Health Agency of Canada (PHAC) and CFIA.

Emergency Preparedness

A significant effort was put into planning for emergencies that would affect animal health. Foreign Animal Disease Eradication Support (FADES) plans were developed, finalized and signed off in conjunction with CFIA. These plans outline the support provided by MAFRI in the event of a foreign animal disease (FAD) emergency.

Further to the written document, working Emergency Planning (EP) committees were established to deal with issues of Geographic Information System (GIS) coordination, and mass animal carcass disposal. Work in these areas will continue.

The CVO and staff also participated in interdepartmental coordination groups on Avian Influenza planning.

Industry Relations

The CVO and staff members made a number of presentations to producer and veterinary groups including Keystone Agricultural Producers (KAP), Manitoba Veterinary Medical Association (MVMA) on issues of animal disease, animal welfare and animal traceability.

Animal Welfare

In 2005/2006 the CVO and staff administered the recently amended *Animal Diseases Act*, and *The Animal Care Act*. *The Animal Care Act* includes provisions on animal abuse and neglect. The number of animal welfare complaints remained high in the 2005 calendar year. Cases involving cattle have dropped compared to the 2004 year, primarily due to the decrease of new BSE cases.

Disease Control

Financial assistance was provided through summer employment to two animal science pre-veterinary students through the Student Temporary Employment Program (STEP).

Staff presented pathology demonstrations to Red River College (RRC) students and to veterinarians seeking accreditation for the Western Canadian Flock Health Program. They also provided assistance to the instructors of the Animal Health Technology course at RRC.

Field and laboratory staff were also extensively involved in several disease surveillance programs including BSE, WNV, TB in wildlife, and CWD in farmed elk, as well as wild deer and elk.

Bovine TB continued to be a major focus of the CVO in 2005/2006. The staff, along with Manitoba Conservation, Parks Canada, CFIA, and in co-operation with the Manitoba Cattle Producers Association and the Manitoba Wildlife Federation participated in a TB Task Group.

The main purpose of the TB Task Group is to:

- control and eradicate TB in wildlife and livestock. MAFRI supports the plan by providing $98,500 per year, as well as veterinary and laboratory staff time and materials.
- In 2004/2005, no additional positive domestic herds were found in the Riding Mountain TB Eradication Area (RMEA – game hunting areas 23 and 23A). Two wild elk and two whitetail deer were detected in the RMEA with hunter-killed and targeted collection surveys in 2005/2006.
- The RMEA has maintained its Canadian "accredited advanced TB" status and the rest of Manitoba their "TB-free" status.

The CVO office continued to work with CFIA, Emergency Measures Organization (EMO), and producer groups to ensure that contingency plans are adequate and in place for Manitoba and Canada in preparedness for highly contagious FAD outbreaks in Canada or the USA. The British Columbia outbreak of Avian Influenza in 2004 indicates how costly these incursions can be.

Poultry Disease Surveillance Epidemiology Field Services assisted with the hatchery inspection, salmonella surveillance and blood testing for breeder turkey flocks needing export permits. Veterinary diagnostic laboratory tested all of the samples collected. The government-testing program supported the export of $6 million worth of chicks and poults to the USA in 2005. Without the involvement of the

Province to oversee and provide third party verification of the results, these exports could not occur. The testing program also helped to provide quality assurance to the customers in other provinces who purchased an additional $7 million worth of chicks, poults, and hatching eggs from Manitoba hatcheries.

Avian influenza caused severe economic hardship in British Columbia and the poultry industry is working to prevent it from causing problems in Manitoba. Staff have been involved in the producer information sessions due to an outbreak of swine influenza in a turkey breeding complex.
MAFRI staff led an Avian Influenza preparedness planning meeting for the egg industry. As a result of this meeting, egg graders are planning to introduce plastic egg pallets which can be washed to reduce the risk of disease spread between farms. MAFRI staff organized a meeting of representatives of MAFRI, Manitoba Health, Manitoba Conservation and the CFIA to discuss how to deal with an Avian Influenza outbreak. As part of a meeting for fancy flock owners, the risk of introducing foreign diseases was discussed; these meetings with small flock owners will be continued annually. Staff assisted the Manitoba Egg Producers' caged hen displays at the Red River Exhibition in Winnipeg and the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

Food Safety & Quality Section

The Food Safety and Quality Chapter of the Agricultural Policy Framework (APF) and the development of programs under APF made significant progress during the year. The programs range from food safety programs for farms up to Hazard Analysis and Critical Control Point (HACCP) programs in non-federally registered food processing plants.

On-Farm Food Safety & Quality Systems Section

The Section was involved in the administration, enforcement, and development of agriculture and agri-food legislation. Inspectors in this Section are appointed under *The Dairy Act, The Livestock Industry Diversification Act*, and *The Livestock and Livestock Products Act*: the inspectors have a limited appointment under The Wildlife Act. Section staff is also actively involved in the development of food safety programs for on-farm and government recognition criteria for HACCP-based programs and HACCP systems.

Dairy Farm Inspection Services Section

Under *The Dairy Act* and Dairy Regulation, the On-Farm Food Safety and Quality Systems Section provides farm inspection services to 509 dairy farms in the province. Inspectors conducted 618 dairy farm inspections that involved scheduled inspections, re-inspections, and compliance visits of cow, sheep, and goat dairies. Dairy inspectors also inspected bulk milk truck drivers for performance of duties, such as:

- sampling for quality
- sample care
- truck sanitation

Inspectors also conducted farm visits to assist producers in troubleshooting milk quality and safety problems, as well as, reviewing new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards for raw milk, and also to assist in improving productivity. Staff is working with the CFIA and provincial governments to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling.

On-Farm Food Safety Section

Food Safety staff continued to work with commodity organizations to develop and implement on-farm food safety programs. Staff worked closely with the Canadian Sheep Federation and the Canadian National Goat Federation on the continued development of national on-farm food safety programs for these commodities. Assistance was also provided by staff to other groups in the distribution of program materials and the training of industry stakeholders with respect to on-farm food safety programs.

The staff were involved in the FPT On-Farm Food Safety Sub-committee that is developing a national approach to the recognition of on-farm food safety programs, including the working group developing the third party auditor criteria.

The staff continued to participate on technical reviews of producer groups on-farm food safety programs (Canadian Turkey Marketing Agency, Canadian Bison Association and Canadian Horticulture Agency).

Disposal

The staff organized a Specified Risk Material (SRM) Disposal/Utilization Workshop for industry and government.

There was also staff involvement with a number of federal/provincial committees dealing with the disposal of SRMs and dead stock, FPT Working Group on SRM Disposal Funding; Enhanced Feed Ban Implementation Task Team, and Mass Disposal Working Group (Regulatory ADM Sub-committee). In addition, staff met with a number of groups interested in disposal of dead stock, offal and butcher waste technologies.

Equivalency

The staff in conjunction with the CFIA and provincial governments, aimed to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling. The terms of reference of the committee are being expanded to include dairy processing.

Elk Farm Inspection

Staff was also responsible for the administration and enforcement of *The Livestock Industry Diversification Act* and The Elk Game Production Regulation. The regulatory duties include the inspection of all elk farms on an annual basis to ensure that facilities are properly constructed and maintained, and that game farm operators comply with requirements as specified in the Act and Regulations.

The extensive database identifying all the particulars of each game farm elk (including its past and present location) is being maintained.

Poultry Licensing and Inspection Services Section

Under *The Livestock and Livestock Products Act* and The Hatchery Supply Flock Regulation, the On-Farm Food Safety and Quality Systems Section approved 64 hatchery supply flocks and issued licences to 10 hatcheries. Staff conducted 110 poultry farm inspections to ensure compliance to safety and quality standards. The section also issued 11 poultry dealer licences and 10 hatchery licences under *The Livestock and Livestock Products Act* and Poultry Products Regulation.

The section facilitated the export of approximately $6 million Manitoba chicks, poults, and hatching eggs into the USA. Producers paid for the costs of testing under the program.

Section staff were involved in the organization of Small Flock Seminars, and Hog and Poultry Days. Staff also published The Breeder Bulletin Newsletter which was distributed to all hatching egg producers. To increase public awareness of agriculture and poultry, staff conducted incubation and hatchery seminars for local schools. Staff worked with producers to assist them in increasing productivity through alternate management techniques.

Post-Farm Food Safety & Quality Systems Section

Under *The Manitoba Dairy Act* and associated Dairy Regulation, the section licensed 16 dairy processing facilities and 223 key industry personnel. Staff provided processing plants with food safety and HACCP information, inspection services, assisted in the organization and delivery of the Bulk Milk Graders' and

Milk Receivers' Courses, investigated consumer complaints, and provided food safety and quality advice to the dairy industry.

To ensure high standards of food safety and quality, the dairy industry relies heavily on laboratory testing. In June 2005, responsibilities of the dairy laboratory were transferred to the Dairy Farmers of Manitoba (DFM). MAFRI will institute a quality assurance oversight of the DFM laboratory to assure high standards of food safety in the dairy industry.

Food Safety Initiative (FSI)

In January 2006, Manitoba Agriculture, Food and Rural Initiatives (MAFRI) signed the Food Safety Initiative (FSI) Collateral Agreement with Agriculture and Agri-Food Canada to promote food safety systems such as Good Manufacturing Practices (GMP)/HACCP and International Organization of Standardization (ISO) 22000 to the non-federally registered food processing plants in Manitoba.

The FSI has two program elements, Outreach and Implementation:

- The Outreach element includes training and promotion to heighten food safety knowledge and awareness amongst food processing industry stakeholders.

- The Implementation element provides funding of different levels to non-federally registered food processors to develop and implement food safety systems.

Six term staff have been hired to carry out the Initiative's objectives (four for food safety systems and two for information and knowledge development).

Food Safety & Quality Knowledge Systems Section

Staff designed, created, and began development of a web site as a tool for the dissemination of food safety information to government staff, consumers, processors, and others in the Agri-food industry.

Documents have been prepared for publication and printed to be distributed to the processors, consultants, and auditors for the promotion of the FSI.

Sustainable Development

In 2005/2006, staff of the CVO/FS Knowledge Centre participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Stewardship (Principle #2)
Staff from the Animal Health and Welfare (AHW) section chaired the Canadian Veterinary Medical Association Animal Care Committee which works nationally with the veterinary profession to promote animal welfare in food production, entertainment, and companion animal care.

AHW staff also participated on the board of Manitoba Farm Animal Care, a provincial organization dedicated to peer mentoring and education of the public in relation to animal use in food and fiber production. Staff were also involved on the Manitoba Pork Council Animal Welfare committee which is an industry funded organization committed to training of staff and promotion of animal welfare within the pork industry.

A number of staff are members of the American Association of Swine Veterinarians and participate locally in the South-East Manitoba swine practitioners group a local professional association which meets monthly to discuss current issues in swine health and welfare.

Shared Responsibility and Understanding (Principle #3)
By monitoring diseases of economic, public health, and international trade significance, both public and private interests are protected by early detection and control of diseases, such as avian influenza, BSE, TB, WNV, and CWD.

Staff contributed several articles were published in The Canadian Veterinary Journal which is distributed to all veterinary practitioners licensed in Manitoba.

Manitoba has gained both Canadian and American respect as a leader in animal welfare and FAD issues; staff presented at numerous provincial, national and international conferences on these topics.

Prevention (Principle #3)
The AHW Section provided extension support through individual consultation and public meetings. Through The Animal Care Act, the Section also provided enforcement in support of good animal care, and the prevention of animal diseases by working with the public, police, and animal control officers.

3 (b) Food Safety

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	903.2	14.00	969.1	(65.9)	
(2) Other Expenditures	226.9		207.4	19.5	
Total Sub-Appropriation	1,130.1	14.00	1,176.5	(46.4)	

Appropriation 3 (c) – Crop Industry

The Crop Industry is a Knowledge Centre providing a coordinated program to enhance sustainable crop diversification, production, and utilization. In support of these objectives, the Knowledge Centre provided technical support, specialized services and information to regional staff, agri-business, and farmers. This overall support enhances the productivity, output, and marketing capability of Manitoba's crop producers.

The Crop Industry Knowledge Centre administers statutes and regulations related to several areas:

- Beekeeping
- Horticulture
- plant pest and diseases
- pesticide dealer and applicator licensing
- weed control

Direct support involving the control of crop residue burning is provided under the *Environment Act Regulation*. The Crops Industry Knowledge Centre also supports the delivery of agricultural research and sustainability programs as well as participating in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure, agro woodlot management and agro meteorological programs.

The Crops Industry Knowledge Centre is comprised of two sections: Farm Production Extension and Industry Focus. These sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through departmental staff, particularly:

- GO Teams
- Publications
- News Releases
- The Internet
- Local Grower Meetings

With the implementation of the Department's Growing Opportunities (GO) structure, Crop Industry Knowledge Centre underwent organizational changes. These changes will enable the Department to better meet the needs of the agriculture and food sectors and the challenges facing rural communities. The emphasis will be reflected in future activity reporting.

Staff produced and contributed to a variety of newsletters in cooperation with industry partners. These newsletters are a primary source for the industry to speak to their growers. As such, it has proven to be an excellent means for Crops Industry Knowledge Centre staff to reach the targeted audience.

Staff were also involved in the publication of *Seed Manitoba* in cooperation with the Manitoba Seed Growers Association and *The Farmers' Independent Weekly*. Staff also prepared/revised and distributed many publications through print and electronic media. These include:

- *The Guide to Crop Protection*
- *Insect and Disease Update* (weekly)
- *Commodity Reports* (weekly)
- Numerous other timely technical publications through:
  - E-bulletins
  - Newspaper/Magazine articles
  - Fact sheets on a range of crop production issues

Staff organized, facilitated and led specialized agronomy training in major events like the Manitoba Agronomists Conference, Ag Days technical programs, and training/updates to field staff involved in Farm Production Extension. Staff developed and delivered the Crop Diagnostic School in cooperation with the University of Manitoba. This two-week summer program was delivered to over 400 industry agronomists, farmers and department staff. Individual commodity workshops (winter wheat, edible bean, soybean,

sunflower, and corn) were held during the summer. Extension Events delivered by Knowledge Centre staff support the delivery of the Certified Crop Advisor (CCA) program in western Canada.

The Crops Industry Knowledge Centre achieved the following results in 2005/2006:

Farm Production Extension

In 2005, licenses were issued to 1,349 applicators and 533 dealers under *The Pesticides and Fertilizers Control Act*. Pesticide dealers and custom pesticide applicators are required to qualify for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 782 agricultural and 84 non-agricultural samples. There were 144 weed samples and eight insect samples submitted for identification in 2005/2006.

The Farm Production Extension Section retains responsibility for the delivery of the Irrigation Development Program. Staff coordinated and delivered the Crop Residue Burning Authorization Program established under *The Burning of Crop Residue Regulation* and *The Non-Crop Herbage Regulation*.

The Agro Meteorology Program expanded the delivery of agricultural weather information with the implementation of the Manitoba Ag Weather Program. Specific deliverables include maps of current conditions, cumulative, and per cent of normal heat units and precipitation, daily crop water use estimates for irrigation scheduling, and various other value-added products. Simulation of crop development (using modeling and long-term climate data) was used to assess the risk of various crops not reaching maturity based on various planting dates and mid-season stages of development. Surveys of spring and fall soil moisture were collaborated and compiled by the Ag-met program to provide baseline moisture information. The Ag-met program was also actively involved in the daily crop residue burning authorizations.

A new guide was released in the 2005/2006 year: *Weed Control for Non-Crop Areas*. This guide is unique in western Canada and is expected to see use in other provinces.

The Potato Hotline provides information on disease and insect pest occurrence, soil moisture conditions, disease forecasting and irrigation scheduling. Potato information on the website was reorganized under the simplified URL: *www.mbpotatonews.ca*

A new regulation was implemented under *the Plant Pest and Diseases Act* for the control of Bacterial Ring Rot (BRR) and was approved in 2005. This regulatory program was implemented in consultation with the Manitoba Potato Industry. In 2005, five potato farms were regulated under this new initiative. The effectiveness of this regulation will be reviewed in 2006/2007 in consultation with the industry. Pest mitigation efforts continued to focus on diseases and insects in potatoes: European corn borer monitoring; disease/insect scouting in vegetable crops.

Staff led province-wide surveys of insect and disease pests, with the assistance of industry and MAFRI agronomists, and provided risk forecasts for the industry. Prairie wide insect surveys were conducted in cooperation with other provincial departments of agriculture. Information was provided throughout the season in the insect and diseases weekly updates. Staff coordinated emergency registration of Assail insecticide for aerial application on potatoes with other Departments of agriculture.

Industry Focus

Staff continued to consult and work with a large number of national and provincial producer associations particularly related to commodity groups. The Staff also completed many technical reviews of ARDI (25), CNG (51), MRAC (eight) and SDIF (two) applications. Support was provided to the Marketing and Farm

Business Management Branch in the area of commodity market development including the development of the 2005 Cost of Production publication for all crops.

The record wet spring of 2005 required the assistance of section staff for providing agronomic information for Manitoba Crop Insurance Corporation (MCIC) and farmers. Staff played a major role in identifying and evaluating strategies to deal with the more than 1.5 million acres of unseeded farmland due to extreme moisture.

The Crops Industry Knowledge Centre administered *The Manitoba Bee Act*, with staff coordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 5,763 honey bee colonies for American and European foulbrood diseases. The Knowledge Centre collected and analyzed 238 bee samples for the presence of the honey bee tracheal mite. The Knowledge Centre also sampled 255 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture staff participated in 12 extension meetings and provided industry updates and information on honey bee and leafcutting bee management to producers. As technical advisors, Staff also attended Board of Director Meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association, and the Manitoba Forage Seed Association. Contributions were made to four issues of both *The Manitoba Beekeeper* and *Forage Seed Update newsletters*, which were distributed to approximately 2,500 individuals. In addition, staff taught an evening course in beekeeping at the University of Manitoba.

Apiculture staff also inspected 121 leafcutting bee operations for chalkbrood disease and conducted a chalkbrood survey of feral bees using approximately 50 trap nests. Through research, demonstration, and extension, staff continued to develop information related to safe and effective ways of controlling pests and disease in honey bees and leafcutting bees. Staff conducted two major research/extension projects which were completed in March 2006:

- Varroa mite control using organic acids (formic and oxalic acids) workshops
- Neutralization of paraformaldehyde during leafcutting bee cell fumigation.

Manitoba continued to be the second largest producer of potatoes in Canada with a harvested acreage of 70,000 acres in 2005. Section staff organized the following potato extension events: Potato Production Days, Western Potato Council Meeting, and weekly irrigation/production extension meetings during July and August.

Saskatoons, sea buckthorn, hemp, corn, buckwheat, medicinal and aromatic plants, spices, essential oils and oriental vegetables remain among the new and expanding crops under development. Demonstration orchards and strawberry trials continued in conjunction with the Agriculture and Agri-Food Research Station in Morden. Staff collaborated with the Manitoba Corn Growers Association on research trials investigating fertility, plant population, and pest resistance. Vegetable production assistance focused on pest mitigation and potential new market development.

Staff, in conjunction with GO Teams, were responsible for the creation and summation of the weekly *Manitoba Crop Report* including *The Commodity Report*. These reports ran from May 1 to Nov 1 and were distributed via the internet, email and fax. The reports are targeted at MAFRI staff, growers, industry and media. Staff was the lead contact for media outlets as related to the *Manitoba Crop Report*.

Staff, along with the Manitoba Crop Variety Evaluation Team (MCVET), coordinated the 2005/2006 Crop Variety Evaluation Program. This Program consisted of 28 test sites (five funded and conducted by MCVET, eight partially funded by grower groups and 16 conducted by private companies). Most test sites contained between 35 and 145 entries of cereals, oilseeds, pulses, and special crops. Site contractors include AgQuest Inc, AgriProgress Inc, ICMS Inc, Murphy et al and Agriculture and Agri-Food Canada.

Section staff, in cooperation with GO Team staff and the Manitoba Forage Council, ran the 2005/2006 Forage Variety evaluation program at three test sites.

Numerous requests were received by staff from potential ethanol and biodiesel business development opportunities. Crops Knowledge Centre staff provided detailed information on raw product supply and quality as an ethanol and biodiesel feed stock. Staff also played an important role to help bring grower groups and potential investors together on various projects.

The Agro Woodlot program continued to meet the goals of adding value to the Agro Wood lot resource by creating economic income for landowners, while at the same time, managing the resource in a sustainable manor. The program continues to operate in conjunction with the Manitoba Conservation, Forestry Branch and hired four regional staff to expand this APF funded program.

3 (c) Crop Industry

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	2,297.8	41.58	2,635.9	(338.1)	1
(2) Other Expenditures	608.9		801.5	(192.6)	
Total Sub-Appropriation	**2,906.7**	**41.58**	**3,437.4**	**(530.7)**	

1. *The under expenditure is mainly due to expenditure management to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 3 (d) – Agri-Environment

The Agri-Environment is a Knowledge Center and the primary objectives are to enhance the development, diversification, and productive capabilities of Manitoba's livestock producers and processors by providing technical and specialized services addressing environmental issues.

Landscape Stewardship

The Landscape Stewardship Specialist Team (LSST) focused on four program areas for 2005/2006. They include:

- Agri-Environment Leadership and Extension
- Environmental Farm Planning
- Equivalent Agri-Environmental Planning
- Integrated Watershed Management Planning

The Landscape Stewardship Specialist Team supported GO Teams in agri-environmental initiatives and activities. The team focused on working with MAFRI staff and producer groups to support local agri-environmental activities and initiatives to increase the adoption of beneficial management practices. A major initiative of the LSST involved capacity building, training and coordinating GO team members in the delivery of Environmental Farm Planning (EFP) workshops. The team provided technical support to the farm planning initiative, including: the review and editing of the *EFP workbook*; the coordination of an effective workshop format, and technical presentations. Staff also contributed to the development of a review process for the Farm Stewardship Association of Manitoba that provided a statement of completion for producers having completed an *EFP workbook*. Finally, the LSST team reviewed and recommended the selection of appropriate beneficial management practices to the Canada Manitoba National Farm Stewardship Program, which is the incentive portion of the APF Environment Chapter.

Environmental Farm Planning was delivered in a series of two workshops, with the primary workshop introducing the topic, and the secondary workshop completing the *EFP workbook*.

As of March 31, 2006, a total of 176 primary workshops and 165 secondary workshops were delivered. At the primary workshops, 3061 producers were in attendance, while another 2727 producers attended the secondary workshops. This resulted in 1457 *Statement of Completion Certificates* with 2.4 million acres committed as per *Statement of Completion*.

The Canada-Manitoba Farm Stewardship Program yielded the following results for the 2005-2006 fiscal year:

- 736 projects applied for ($3.7 million); 160 projects completed ($0.996 million);
- 576 projects approved ($2.7 million).
- The top 7 CMFSP categories included:
  - Wintering Site Management
  - Riparian Area Management
  - Nutrient Management Planning
  - Improved Cropping Systems
  - Product and Waste Management
  - Enhancing Wildlife Habitat & Biodiversity
  - Water Well Management

The potential of Equivalent Agri-Environment Planning (EAEP) for Manitoba has been tested and the Coleman Watershed is completed. Work continues on the development of EAEP for Manitoba. Staff provided technical support to Manitoba Water Stewardship's Integrated Watershed Management Planning initiative. The Landscape Stewardship Specialists' role in the Integrated Watershed

Management Planning process is to provide technical leadership within an interdisciplinary team in the development of Watershed Health Report Cards, State of the Watershed Reports, and Integrated Watershed Management Plans.

Resource Management

Agri-Environment staff participated in the delivery of the eighth year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground (CNG).

Staff responsibilities associated with CNG included:

- coordination of provincial, regional, and crop diversification centre projects;
- participation on technical review committees evaluating proposals,
- the emergency dead stock composting project; and
- provision of technical assistance to Knowledge Centre and GO Team Staff, local delivery organizations, producer groups, conservation districts and environmental agencies.

The Resource Management Team participated in the delivery of the Livestock Stewardship Initiative. In coordination with Agriculture and Agri-Food Canada, Manitoba Conservation, and Resource Conservation, staff developed a Composting 101 for Ag Producers Course and delivered it to three rural areas in Manitoba.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta, and British Columbia was accomplished through staff participation on the Western Coordinating Committee on Environmentally Sustainable Agriculture, which shares perspectives and programs on agricultural sustainability.

The Soil Conservation Council of Canada facilitates co-operation in addressing soil conservation/management concerns, which are presently focused on greenhouse gas emissions from the soil and carbon sequestration in soil organic matter.

The National Deadstock Disposal Team is composed of representatives from each province addressed deadstock disposal issues/options within Manitoba and throughout Canada.

The Resource Management Team, with the support of colleagues completed the Soil Management Guide, a quick reference handbook for understanding soil and implementing appropriate land management practices.

Field programming largely focused around Soil Productivity Workshops, held in Dufrost, Pilot Mound, Melita, Hamiota and Ste. Rose du Lac during the fall for training and discussion of concepts and practices pertaining to manure management, nutrient management, and soil and land management, including reduced tillage. Approximately 175 producers and agronomists attended the workshops and positive feedback was received.

The Resource Management Team coordinated the revisions of the Farm Practices Guidelines for Pig Producers. This was a collaborative effort between the provincial and federal governments, the University of Manitoba, and Industry stakeholders. The Farm Practices Guidelines for Pig Producers was last revised in 1998.

The Resource Management Team staff participated on the Technical Review Committee for Proposed Livestock Operations. Technical information and assessments were provided for soils and landscape properties, manure nutrient management and land base requirements.

In cooperation with GO Team staff, education and training workshops were held with beef producers at three locations. An explanation of the principles of manure nutrient management and regulation of manure management in Manitoba was provided, as well as instruction in the use of the Manure Application Rate Calculator and Agri-Maps. The intent of these workshops was in support of improved

environmental performance by beef producers and the completion of Manure Management Plans required by Manitoba Conservation.

Phosphorus management extension was pursued through a number of avenues such as:

- the Crop Diagnostic School in Carman (attended by more than 400 agronomists);
- reprogramming of the Manure Application Rate Calculator to include P_2O_5 removal-based application rates;
- revision of the Farm Practices Guidelines for Pig Producers in Manitoba;
- communication of the results of a beef manure characterization study funded by the Manitoba Cattle Producers Association;
- presentations at producer events;
- guest lectures at the University of Manitoba;
- revisions to the *Manitoba Environmental Farm Plan;* and
- contribution to course manual development for training of professional manure management planners and custom manure applicators.

Other issues addressed by the Resource Management Team included:

- Adaptation strategies for climate change, along with strategies to maximize the amount and value of carbon stored in the soil
- New strategies for reducing off-farm energy requirements of production systems
- Using BMPs and detailed soil survey information to prevent and rehabilitate soils at elevated risk of erosion, salinization, compaction, and organic matter depletion
- Reducing impacts of smoke, dust, and odours on air quality
- Managing excess water and conserving scarce water (according to weather conditions) to meet agronomic and environmental goals on a continuous basis
- Ensuring the entire agricultural landscape (riparian areas, cropped uplands, etc.) is adequately managed to achieve productive potential with minimal environmental impact.

Soil and Landscape Management

In 2005/2006, field mapping and soil characterization activities were initiated in the Municipality of Elton at a scale of 1:20,000. Field and laboratory equipment was purchased to support the program and facilitate field characterization of soils. Approximately 20 sections were surveyed at 1:20,000 and 12 sections surveyed at 1:50,000 in the RM of Elton over the field season.

The laboratory staff processed and analyzed approximately 500 soil samples for various soil chemical and physical properties, including: $CaC0_3$, particle size, organic carbon, pH, electrical conductivity and field moisture for a total of 2000 analyses. The laboratory staff also processed 600 soil moisture samples for field moisture taken as a part of the Provincial Fall Soil Moisture Survey. Much of the 2005 year was spent calibrating new lab equipment and training new staff.

Field mapping and inventory activities were completed in the Municipalities of DeSalaberry and part of Springfield in 2005, at a detailed (1:20,000 and 1:50,000) scale for areas that had been mapped at a reconnaissance (1:125,000) scale. The data for the RM of Springfield was added to the digital map and database files and the digital soil map and database are now complete. Field correlation, editing, digitizing and final map production will continue for the RM of DeSalaberry.

The RM of Ritchot, including the Winnipeg region, data was digitized. The digital soil map and database are complete. Correlation, editing, digitizing and final map production is in progress for the RM of Tache. The ongoing program of soil correlation and systematic soil sampling for a range of chemical and physical analyses, including soil moisture properties, soil texture and soil salinity was carried out in the Municipalities of Elton, Ritchot, Tache and DeSalaberry. The detailed soil survey (1:5,000) of the Manitoba Zero Tillage Research Association farm was added to the Manitoba database.

Staff participated in the assessment and evaluation of land for irrigated potato production and reviewed the "Land Assessments for Irrigation Development Project" proposals. In the area of Land Use Planning and Development, staff made field inspections and verified sites at the request of the Land Use Branch.

The coordination and delivery of Provincial soil productivity workshops in fall of 2005 was carried out in cooperation with the Resource Management team of the Agri-Environment Knowledge Centre and the Crops Industry Knowledge Centre. Staff supplied data and technical support, including GIS mapping, to Provincial watershed management initiatives.

3 (d) Agri-Environment

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,321.6	24.54	1,539.3	(217.7)	
(2) Other Expenditures	342.2		381.5	(39.3)	
Total Sub-Appropriation	**1,663.8**	**24.54**	**1,920.8**	**(257.0)**	

Appropriation 3 (e) – Irrigation Development

In September of 2002, a $1.0725 million provincial Irrigation Development Program (IDP) was announced.

The IDP was modelled after the previous Surplus Water Irrigation Iniative program, with programming being offered in areas such as:

- off-farm irrigation infrastructure development;
- included area, block development and management;
- investigation and demonstration; and
- technology transfer, environmental protection, public awareness, education, and communication.

Staff resources from the Crops Knowledge Centre were assigned to deliver the program.

All infrastructure projects must receive appropriate *Environment Act* Licensing and meet federal requirements including those from the Department of Fisheries and Oceans. Funding is also provided to support investigation, demonstration, and technology transfer of sustainable water management practices, as well as, environmental monitoring activities.

An Irrigation Coordinating Committee was established with representation from MAFRI and Prairie Farm Rehabilitation Agency (PFRA), which coordinates activities and funding support to infrastructure projects. Planning and obtaining regulatory approval continued on 25 projects. Eight infrastructure projects were supported in 2005/2006 that developed approximately 900 annually irrigated acres. Four projects supported investigation, demonstration and technology transfer, and public awareness.

3 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures	297.8		922.5	(624.7)	1
Total Sub-Appropriation	**297.8**		**922.5**	**(624.7)**	

1. *The under expenditure is primarily due to persistent wet weather conditions throughout the summer of 2005 which delayed both planning and implementation of new irrigation projects in Manitoba.*

Appropriation 3 (f) – Innovation Services

Innovation Services is a Knowledge Centre whose primary objective is Agri-Food Innovation and Adaptation (AFIA), developing and delivering the province's programs with regard to science and innovation in support of growth and sustainability in the agri-food and rural sectors. Innovation Services provides leadership and coordination for the province by way of awarding financial support to institutions, organizations, businesses, and individuals engaged in the development of new knowledge and technology. In addition, Innovation Services staff are engaged directly in conducting applied field investigations into crop diversification and utilization on behalf of producer organizations. The Agri-Energy Office provides leadership and coordination of renewable energy programming pertaining to agriculture's ability to be both a supplier and consumer of non-fossil energy.

Innovation Services represents government's contribution of leadership, policy and programming to the development of the bio-economy in Manitoba. Focus areas include: functional foods and nutraceuticals, bio-energy and bio-materials.

The Agri-Food Innovation and Adaptation Knowledge Centre achieved the following results in 2005/2006:

- Support of the evaluation of 93 proposals to Agri-Food Research and Development Initiative (ARDI) of which 48 were awarded funding by the ARDI Council. A total of $2.5 million was awarded during the fiscal year.
- The University of Manitoba grant enabled 102 projects in areas determined to be high priority by AFIA and other Branches of the Department.
- The grant to Prairie Agricultural Machinery Institute (PAMI) was administered with oversight provided by AFIA.

The Science and Innovation pillar of the Agricultural Policy Framework was successfully administered including: the operation of the Manitoba, and the Canada/Manitoba Science and Innovation working groups. Staff represented Manitoba on the Federal/Provincial/Territorial work group rendering decisions on funding of projects of national scope.

The following projects relevant to Manitoba and with Manitoba proponents received funding:

- Potato Innovation Network
- Flax 2015
- Pulse Innovation Program
- Commercialization of Biofibres for Composite Applications

Staff delivered sub-programs and projects under the Agricultural Policy Framework Transition program. The University Research Infrastructure Program provided a total of $2.0 million to renewal of research equipment at University of Manitoba, University of Winnipeg and Brandon University. The primary sub-programs and projects include:

- The Strategic Agricultural Research and Development Program provided funds to develop straw-based pulp and paper, create new varieties of hemp, investigate distillers' grain usage in food, and examine the potential for organic poultry.
- AFIA facilitated funding from the Crop and Livestock Diversification Program for expansion of the Canadian Centre for Agri-Food Research in Medicine ($1.25 Million), the purchase of field equipment by producer-led diversification centers ($750,000.00) and the establishment of the Manitoba Agri-Food and Health Network ($260,000.00).

Staff supported the funding and operation of four industry and producer led diversification centers;

- Parkland Crop Diversification Foundation,
- Westman Agricultural Diversification Organization,
- Prairies East Sustainable Agriculture Initiative, and
- Canada-Manitoba Crop Diversification Centre.

In 2005/2006 applied research was conducted at these centers in support of the following industries:

- forage seed
- grass fed beef
- aquaculture
- agro-forestry
- saskatoon berries
- biofuel feedstocks
- pork
- potatoes
- hemp
- pulses
- barley
- alfalfa
- flax
- canola
- corn

Results were distributed through GO Teams, newsletters, and field demonstrations.

The Manitoba Crop Variety Evaluation Team (MCVET) program was administered by staff and the Crop Industry Knowledge Centre resulting in the province-wide evaluation of crop varieties. Results were provided to producers and the industry through the publication *Seed Manitoba* which was distributed directly to 15,000 farmers in cooperation with the Farmers' Independent Weekly newspaper.

The Agri-Energy Office has, in cooperation with Energy, Science and Technology (EST), developed and delivered programs and information in the rapidly evolving area of bio-energy. This includes:

- Biodiesel
- Ethanol
- Methane from anaerobic digestion
- and wind power

Staff focused on the collection, interpretation and dissemination of agronomic, engineering, economic and environmental information in support of policy development, community projects and increasing the technical competency of Manitoba in bio-energy.

3 (f) Innovation Services

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	628.6	13.00	873.6	(245.0)	1
(2) Other Expenditures	166.5		218.2	(51.7)	
Total Sub-Appropriation	**795.1**	**13.00**	**1,091.8**	**(296.7)**	

1. *The under expenditure is mainly due to expenditure management to meet government's fiscal restraints and offset increased departmental program and operating costs.*

Appropriation 3 (g) – Agri-Food Research and Development Initiative

The overall objectives of Agriculture Research and Development Initiative are to provide funding for:

- initiatives aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector;
- assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices; and
- in support of agricultural research.

Agriculture Research and Development I

The overall objectives of Agriculture Research and Development I are to provide funding for an agriculture development and research initiative aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector; to provide funding assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices; and to provide funding in support of agricultural research.

Funding for this initiative is made available by federal and provincial governments for research and development projects under the ARDI I element of the Canada-Manitoba Agri-Food Research and Development Initiative Agreement. The ARDI Agreement forms part of Annex C of the Canada/Manitoba Implementation Agreement (IA) through which the Agricultural Policy Framework (APF) is implemented in the province. The objective of ARDI I is to provide funding for research and development in support of economic growth and adaptation of Manitoba's agriculture and agri-food sector to meet the changing realities of the global marketplace.

The Province of Manitoba contributed $1,000,000.00 to ARDI I in 2005-2006. The ARDI I council approved 48 projects in 2005/2006 with financial commitments totaling over $2,500,000.00. ARDI I provided, on average, 50 per cent of total funding for research and development projects, with matching dollars contributed by industry. The process is forecasted to produce new investments in research and development totaling $3,500,000.00 in Manitoba. ARDI I also provided project-by-project financial support to commodity groups, individuals, industry, and institutions based upon expected potential for return on investment dollars. The program focused on value-added processing, enhanced production, and exporting of higher value products.

There are three major partners involved in the management of the ARDI I program:

- The ARDI I Program Council is responsible for developing ARDI I program objectives, policies, and project assessment criteria. The council also prioritized ARDI I funding and approves eligible project proposals. The ARDI I Program Council is an independent committee with representatives from the agriculture and Agri-food sector, along with federal and provincial non-voting members.

- The Manitoba Association of Agricultural Societies (MAAS) carried out the day-to-day administration of ARDI I. MAAS accepts and coordinates funding proposals and administers the disbursement of funds.

- MAFRI Program Advisors provided advisory assistance to MAAS and the ARDI I Program Council by facilitating assessments of eligible project proposals on behalf of the council.

In 2005-2006, ARDI facilitated many diverse projects in the following eligible categories:

- commodities that are well-established and present additional growth or development opportunities;
- commodities that are new or alternative and present opportunities for development in Manitoba;
- bioenergy, biofibres and biotechnology;
- sustainability of the resource base and the environment; and
- other innovative proposals.

Sustainable Development

The major performance indicators of ARDI I surrounded Manitoba funded ARDI projects, 17 of which met the criteria of sustainable development during the 2005/2006 fiscal year for a combined research expenditure of $1,019,647.00. The research subjects included examining the usage of biopesticides and biocontrols, methods to manage Fusarium Head Blight in wheat; and the use of green manure and organic amendments for the control of early dying of potatoes.

3 (g) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	1,000.0		1,000.0	-	
Total Sub-Appropriation	**1,000.0**		**1,000.0**	-	

Appropriation 3 (h) – Agricultural Sustainability Initiative

The objectives of the Agricultural Sustainability Initiative (also known as Covering New Ground – CNG) is to:

- facilitate the adoption of effective resource management and environmentally sustainable practices to enhance long term sustainability and competitiveness of the agri-food sector; and
- assist with the conservation and enhancement of the natural soil, water, and atmospheric resources that agriculture uses and shares by ensuring the environmental sustainability of the practices employed in the agri-food sector.

CNG funds activities in three specific areas:

- sustainable crop management;
- sustainable forage and livestock management; and
- integrated pest management, with a goal of developing on-farm management activities to address environmental challenges.

Delivery of programming occurs through:

- local producer groups located throughout rural Manitoba;
- provincial based commodity and agricultural organizations; and
- three regional crop diversification centers:
  - the Parkland Crop Diversification Foundation
  - the Westman Agricultural Diversification Organization
  - the Prairies East Sustainable Agricultural Initiative

In 2005/2006, 42 proponents conducted sustainable crop management, sustainable forage/livestock, and integrated pest management projects totaling approximately $576,000.00.

Eighteen sustainable crop management projects were conducted by 15 proponents totaling $123,000.00. The projects addressed issues relating to soil conservation, reduced tillage, and winter cover crops.

Disease, insect, and weed management issues were addressed under the integrated pest management program area. Nine proponents conducted 15 projects totaling $134,000.00. Thirty-four proponents conducted 59 sustainable forage/livestock management projects totaling approximately $319,000.00. Priorities under this program area include: nutrient, livestock, pasture and grazing management.

In 2005/2006 a third crop diversification centre, the Prairies East Sustainable Agricultural Initiative, was initiated in the Eastern-Interlake region of the province. Three centers in Melita, Roblin, and Arborg conducted 31 different trials dealing with crop diversification opportunities including aquaculture. Funding for the centers was approximately $225,000.00.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports, and other extension materials.

Sustainable Development

The CNG program followed a number of the Principles and Guidelines of Sustainable Development.

The Agri-Environment Knowledge Centre administers the provincial CNG program. The mandate of the CNG program is to promote the awareness and adoption of agricultural practices that promote economic sustainability while improving the long-term sustainability of the natural ecosystem. CNG accomplishes this mandate by partnering with local producer groups, provincial commodity associations, and crop diversification centers to deliver applied research, demonstration, and technology transfer projects. A

listing of all CNG project results can be found at the Covering New Ground searchable database at http://web2.gov.mb.ca/agriculture/cng/index.php.

Integration of Environment and Economic Decisions (Principle #1)
In 2005/2006, two separate CNG projects addressed environmental and economic concerns, and include:

Projects such as Soil Stabilization in Cattle Facilities look for environmentally and economically sustainable solutions to producer concerns.

The project: *Characterization of Group 2 Herbicide Resistance in Manitoba Populations of Kochia* recognized that there is both an environmental and economic concern about herbicide resistant weeds. The end result was to advise producers on proper weed management strategies, especially in multiple or cross-resistant populations, thereby potentially reducing pesticide load on the environment and saving producers' money.

Stewardship (Principle #2)
By providing a source of funding that is accessible at the grassroots level, the CNG program is encouraging producers and local organizations to develop their vision of sustainable agriculture.

In a recent consultation, producers understood that the expression "sustainable agriculture: and the responsibility of stewards of the land" recognizes the importance of maintaining agriculture resources for future generations.

The In-Crop Manure Application project examines ways to incorporate hog manure as a fertilizer in perennial cropping systems. This project builds on one sustainable agriculture technique – perennial crops – and examines how man-made chemical inputs can be replaced by livestock manure.

Shared Responsibility and Understanding (Principle #3)
The CNG program addressed the principle of shared responsibility and understanding by bringing together partners from government, producers, environmental organizations, industry, and academic institutions. CNG projects were developed by partners with shared goals and understandings.

Public education and involvement was a component in the majority of CNG projects. The CNG program focuses on partnerships with local organizations and also promoted public involvement.
CNG projects have developed newsletters and fact sheets for producers, and hosted field trips and workshops. A primary objective of many CNG funded projects is the dissemination of information about new technologies and techniques for sustainable agriculture.

The Success Stories in Soil Testing project and the Consolidated South Tobacco Creek project raise awareness about soil and livestock sustainability issues in the community.

Prevention (Principle #4)
Many CNG projects are designed to monitor, prevent, and mitigate adverse environmental, social, and economic effects. For example, one of the CNG priorities is to demonstrate and extend information to reduce phosphorus loading on farms and fields.

The Livestock and the Environment: Manure Management Seminar project provides training for producers to manage manure on their farms. In this case, informing producers of current and new manure management regulations will prevent improper manure handling which could result in increased nitrogen and phosphorus loading on the environment.

Conservation and Enhancement (Principle #5)
The "Promoting the Use of a Forage Buffer along Oak River" project promotes a technique that encourages stream bank and soil conservation.

The Deep Nutrient Soil Testing project encouraged producers to test soil nutrient levels to two feet, rather than six inches, as is often done. The result can be a more accurate reflection of soil nutrient profiles, which in turn, can reduce the over-application of nutrients.

Rehabilitation and Reclamation (Principle #6)
The Pasture Species Shift Manipulation through Targeted Management project promotes a technique that encourages the use of management, fertility and or pesticide methods to demonstrate a species shift to more productive forage species.

Global Responsibility (Principle #7)
The CNG program encouraged local solutions to problems and builds capacity in local organizations. Some CNG projects, such as: Integrated Control of Forage Legume Diseases, have served as models for programs in other areas. These made-in-Manitoba programs have a broader impact on agricultural sustainability.

Although the CNG program does not fund direct research and development projects, it provides an important link in the application of new techniques and technologies. CNG projects help make the link between what is scientifically feasible and what is practical in an agricultural setting. This helps ensure continuous improvement in agricultural practices and also provides important practical feedback on scientific research.

3 (h) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures	773.3		1,118.5	(345.2)	1
Total Sub-Appropriation	**773.3**		**1,118.5**	**(345.2)**	

1. *The under expenditure is mainly the result of expenditure management reductions, contracts not proceeding and projects not being completed due to weather conditions.*

Appropriation 3 (i) – Grant to the University of Manitoba

The objective of the University of Manitoba grant is to support Faculty of Agricultural and Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the faculty.

MAFRI funding represents a significant proportion of total government and corporate contributions for research activities of the faculty. Various Departments within the faculty received monetary grants to assist in their research activities.

The Department's grant is important in supporting the faculty's research, which is aimed at diversifying and sustaining Manitoba's agricultural and Agri-food industry. The grant is also a valuable resource to the faculty because it helps attract additional outside funding for agricultural research. More specifically, it serves as a valuable leverage factor in drawing additional resource commitments from other organizations.

3 (i) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	868.3		868.3	-	
Total Sub-Appropriation	**868.3**		**868.3**	**-**	

Appropriation 3 (j) – Grant to the Prairie Agricultural Machinery Institute (PAMI)

The Department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development, and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. Financial support is provided through an agreement between the Province of Manitoba and the Province of Saskatchewan.

Under the terms of this agreement, Manitoba provides an annual grant of $332,500.00 to support PAMI activities.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support Manitoba's priorities for international competition, diversification and value-added processing, livestock production, risk management, environmental protection and farm safety.

Through its practical research and development, PAMI plays an important role in technology transfer to assist producers, and the industry to improve their operations.

3 (j) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	332.5		332.5	-	
Total Sub-Appropriation	**332.5**		**332.5**	**-**	

Appropriation 4
Agri-Food and Rural Development

The Agri-Food and Rural Development Division provides front-line delivery and supporting programs in partnership with stakeholders to enhance the viability of family farms; to provide value-added and diversification opportunities; to strengthen the capacity of Manitoba's food processing industry; and to build vibrant rural communities.

Through the division's Growing Opportunities (GO) Centers and Knowledge Centers, extension services and technical leadership is delivered by staff in farm production, farm and rural business management, community and economic development, aboriginal agriculture, immigration, youth and leadership capacity development, urban and consumer awareness, northern foods, food processing, industrial development and food commercialization and marketing.

The Division provides leadership and resources to accelerate initiatives that will create new employment skills and opportunities, and capital investment that anchors sustainable communities. Financial and professional support is also supplied to economically viable projects in partnership with communities, municipal governments, local and regional community development organizations, entrepreneurs, businesses, cooperatives, and youth organizations.

The Agri-Food and Rural Development Division also works closely with institutions such as the Rural Development Institute, the University of Manitoba and the Canadian Centre for Agri-food Research in Health and Medicine to provide a platform of research and science that facilitates economic development and commercialization in Manitoba's agriculture and rural sectors.

Appropriation 4 (a) – Growing Opportunities Centres

The Growing Opportunities (GO) Teams Branch is comprised of GO teams located in GO Centres or offices. The GO Teams Branch focuses on building vibrant rural communities by encouraging and supporting the sustainable development of Manitoba's agricultural and food sector while maintaining a healthy rural and northern landscape. Through rural-based delivery of programs and services, staff in the GO Teams Branch assist farm and rural families in enhancing their knowledge in leadership and management, marketing, sustainable production, adding value, diversification and economic development options within a sustainable agriculture and community framework. The GO teams strive to increase the public's awareness of the importance and contribution of the agriculture and agri-food industry to the province's economy.

Through the GO Teams Branch, the Growing Initiatives reorganization involved the transition of 170 front line staff into 11 teams across 40 offices. The GO Teams teams are responsible for providing leadership at the grassroots level and for filling its mandate as the primary delivery arm of Manitoba Agriculture, Food and Rural Initiatives (MAFRI). The GO Centres accomplishments for 2005/2006 include:

- Implementation of a strategic planning process where 11 GO Team advisory councils were established and became operational. These advisory councils provided input into GO Teams' directional plans. All GO Teams completed area scans and three year directional plans.
- *The MAFRI Growing Opportunities Newsletter* (public) was developed, and implemented with two issues published (circulation of 35,000) with a plan for three issues per year.
- Provided the leadership for two new programming initiatives in Urban and Northern areas of Manitoba.

As part of the Growing Opportunities (GO) reorganization, staff were assigned new roles and specialities. Former Ag Reps became either Farm Production Advisors with a specialty focus on farm production advisory services or Business Development Specialists. Former Home Economists and 4H and Youth

Specialists were refocused as Rural Leadership Specialists and former Admin Secretaries have been refocused as Extension Coordinators and Knowledge Assistants. These changes facilitate provision of specialized resources to clients across Manitoba.

The following headings detail the specific impact(s) that the GO Teams Branch accomplished over the 2005/2006 transitional year of the new Growing Opportunities Initiative:

Business Development & Management

Business Development Specialists (BDSs) were responsible for leading and supporting activities to create awareness, develop and attract value-added and expanded value-chain enterprises and other community and business development initiatives: both agricultural and non-agricultural. The BDSs also provided advice to clients and community leaders regarding all aspects of business development and management.

In a highly complex and changing rural economic environment, businesses must keep their competitive knowledge and skills current. BDSs focused on the development and enhancement of business opportunities and management skills to help rural enterprises remain competitive and positioned to capitalize on changing markets. BDSs assisted clients to remain competitive by providing training events in strategic business planning, business organization, coop development, financing alternatives, product development processes and exploration of new business opportunities. BDSs assisted in areas such as agri-energy development, the livestock feeding and meat processing industries, and the food oil processing industry. Also important are the bison and black pork diversification and other non-farm rural enterprises, i.e. auto repair shops and the trucking industry. BDSs consulted and advised clients facing business challenges by providing training in risk management strategies and resource information on production management, CAIS, production insurance, financial lending programs, business planning, legal agreements, and marketing skills. BDSs helped clients develop comprehensive business plans for expanding or new enterprises in value-added and diversification opportunities. Assistance in assessing business viability and helping clients with business retention efforts in re-financing and re-structuring has also been an active role of BDS.

BDS took a leadership role in researching and updating GO team area economic data and developing trends. The related information formed a foundation for three-year directional plans developed by GO Centre staff and client advisory councils. BDS took a leadership role in organizing GO Centre advisory councils and developing a strong support network with our clients and partners.

Community Economic Development

Manitoba Agriculture, Food & Rural Initiatives (MAFRI) is committed to community economic development (CED) with the establishment of Business Development Specialists - Community Development (BDS-CD) as part of GO Centres in rural communities throughout the province.

The BDS-CD worked to increase communication and cooperation among the various levels of community and economic development organizations, including:

- working very closely with local Community Development Corporations (CDC);
- acting as ex-officio directors of Regional Development Corporations (RDC);
- coordinating their efforts with Community Futures Development Corporations (CFDC)

BDS-CD's have worked to establish Economic Developers Networks in various team areas to provide a forum for MAFRI partnerships with Regional Development Corporations, Community Development Corporations and Community Futures Development Corporations to address issues and concerns and ensure collaboration and partnership on projects and activities.

BDS-CDs provided information and opportunities to community leaders and organizations to attract and develop value-added enterprises and other community development initiatives, both agricultural and non-agricultural, with the goal of developing thriving and sustainable rural communities.

BDS-CDs worked with local organizations and governments to develop multi-year strategies with the intent of building community capacity, identifying and acting on opportunities that build on the strengths of the region(s) and address specific economic development challenges the team areas(s) are facing.

BDS-CDs worked with community organizations in organizing activities and events that highlighted communities and the amenities they offer so that businesses can use the event(s) to attract potential employees.

In conjunction with local, provincial and federal governments, plus the regional economic development corporation, a provincial pilot project was established to develop the BizPal online service directory. This initiative is a one stop shop for business for online permits and license information and delivery. After testing and refinement of the portal and program the initiative will be expanded to other areas of the province.

Community economic development was encouraged through local ownership and decision-making as evidenced by local groups forming co-operatives to buy and operate local businesses.

Adding Value and Food Industry Development

To increase the prevalence of value added processing in rural Manitoba, GO Teams staff worked with producers, industry partners and rural governments to assess the economic viability, plus the production and processing requirements that support value-added opportunities available to individuals, businesses, and groups of farmers, including producer led cooperatives.

During the past year, staff continued to strengthen partnerships with individuals and organizations in an effort to increase consumer confidence in food: primarily through research agencies in the development of new and improved food products and the commercialization of value added food products. A major conduit for program delivery is the newly introduced Food Safety Initiative which will involve staff in activities that advance food safety awareness, and will assist through facilitating the implementation of food processing control systems directed towards the food processing industry. As part of our department's ongoing transition, staff have also participated in events that familiarize them with the business activities of the Food Development Center (FDC) including touring the facilities and strategizing with FDC staff.

GO Teams staff have been involved in organizing the Direct Farm Marketing Conference. The two-day seminar provides a forum for networking and education in areas such as agri-tourism, organic production and adding value to primary commodities. Two areas of focus for the GO Teams during the past year have been meat processing and saskatoon production and processing.

Through a local economic development initiative, GO Teams staff have worked with associations and individual growers to increase saskatoon production acreage in Manitoba, and develop the processing capacity of this industry. In partnership with local associations, economic development organizations and individual producers, staff are also involved in the establishment of a model Saskatoon Orchard that will be used to demonstrate beneficial production and management practices

The second area of focus has been in the area of local meat processing. Due to developments arising from the BSE crisis, farmers and processors are taking steps to reduce dependency on international markets. Go Team staff have been involved with four meat processing businesses by assisting them with their business needs as they plan expansions.

Staff continue to seek new opportunities in the area of adding value and food development including organic milk and meat production, energy bars, edaname, shitake mushrooms, elk meat, honey products, Christmas cakes, sea buckthorn, bannock, flax oil, various confectionaries, wine, waffles, as well as, hemp oil and seed.

Rural Leadership Development

The enhancement of leadership skills in rural clients is an important role of MAFRI staff and a focus under the GO Initiative. Although many of the staff contribute to leadership development, it is the prime area of responsibility for the Rural Leadership Specialists (RLSs).

The 17 RLSs located across the GO Teams Branch are responsible for developing and delivering programming to increase the human and community capacity in rural Manitoba. The work of the RLSs is broadly organized around several horizontal team areas. In the area of Organizational Leadership and Development, RLSs have been involved in facilitating strategic planning sessions with several groups and organizations, including a community visioning process in a number of communities. Using the newly developed Facilitation Tool Kit as a resource, RLSs worked with new and existing co-op boards, Women's Institutes, Agricultural Societies, Town and municipal councils and seniors' organizations.

The Youth Leadership and Development team has focused on youth in the following areas:

- 4-H Youth: continuing to provide life skill leadership and skill training to 4-H members and leaders in the program while looking at the future structure and management of the 4-H program.
- Junior Achievement: RLSs have made numerous presentations to middle years students in the topics of basic money management as well as entrepreneurship.
- Aboriginal Youth: developing cultural awareness and looking at ways to include our youth focused programs into aboriginal communities.

Farm Safety Initiatives fall under many staff roles. The RLSs are very involved in organizing and supporting the Progressive Farmer Farm Safety Day Camps. In addition, staff delivers farm safety information to schools and the general public through farm safety trails, displays and presentations.

RLS staff are involved as contacts and coordinators for programs such as the Bridging Generations Initiative and the Canadian Agricultural Skills Service: promoting the benefits of these programs and assisting with arranging training as required.

Partnering with community groups/regional health authorities, RLSs provide tools and support in the areas of resiliency, stress management and wellness.

Farm Production Extension

Farm Production Extension involves Farm Production Advisors and Farm Production Extension Specialists. Production Advisors are the primary providers of production advisory services to ag producers and industry. They encourage the adoption of current and sustainable farm production and farm management practices, and work closely with Crop and Livestock Farm Production Extension Specialists, Agri-Environmental, Knowledge Centre Specialists, industry partners and other farm production advisors in delivering farm production extension services.

Farm Production Extension staff delivered production extension to clients related to crops, livestock, land management, herbicide drift complaints, and on-farm demonstration activities. They worked in partnership with agri-business to assist clients with production issues, provided training, and other consultations. The staff also partnered with agri-business on farm tours, demonstration plots, demonstration of production technology and field days. Staff provide regular reports on agricultural production conditions as part of the Manitoba Crop Conditions Report.

Agriculture Crown Lands

Farm Production Advisors (FPA) are responsible for the field delivery of the Agriculture Crown Lands Program. The objective of the program is to administer leases and permits as set out in policy and to represent the agricultural interests in Crown lands for the benefit of both lessees and the Province of Manitoba.

FPA staff administered a total of 2764 leases on 1,627,282 acres of land across Manitoba. This land provides for a total carrying capacity of 730,964 animal unit months, this would meet the annual requirements of about 60,913 beef cows.

FPA staff led the delivery at the field level of the Environmental Farm Planning Program with over 3,000 clients participating in the program.

Northern Food Development

MAFRI continues to partner with Aboriginal and Northern Affairs (ANA) and Health & Healthy Living and Healthy Child Manitoba in the Northern Healthy Foods Initiative (NHFI). Planning and evaluation has established an action plan for pilot projects for 2006/2007 in three regions of northern and remote areas of Manitoba. The Management Committee implemented a short term operating strategy heavily focused on the support of the Food Self-Sufficiency Initiative (Food Business Development, Community Foods Program, Greenhouse Pilot Project, and Northern Gardens). Key operational goals of the NHFI Management Committee include:

- development and improved implementation of the Northern Community Gardens Program, including development and implementation of compatible classroom curriculum activities
- food business development that brings together Manitoba producers with Northern consumers
- developing and implementing support to purchase food freezers in remote communities
- development of pilot community greenhouse project(s)

MAFRI's Northern Food Team (NFT) consists of 13 specialist staff, along with other departmental staff, providing technical and organizational training and reference materials to support participating NHFI communities. Agricultural services have included technology transfer for the production and preservation of horticultural and other crops, livestock and poultry.

Staff assisted ANA and the NHFI Management Committee in developing program criteria, administrative process, project assessment and selection process and reporting requirements. MAFRI staff have developed resource materials in support of NHFI gardeners.

Urban GO Centre

The mandate of the Urban GO Centre is to provide direct delivery of programs and services in the areas of urban agri-business development, agriculture awareness, public consumer awareness and urban horticulture. The role of the Urban GO Centre is to facilitate and to foster a synergy of business, awareness and perspectives between the consumer and the agricultural industry.

The following points highlight the first year impacts of the Urban GO Team:

- there were 85 extensive consultations with partners to assist in the development and marketing of urban agriculture programming
- the formation of an Urban Advisory Council with 13 partners
- delivered the logistics for a 'Creating Opportunities: Adding Value in Rural and Northern Manitoba' session in Winnipeg

The Urban Go Centre staff initiated co-location opportunity discussions with a number of associates. Manitoba Food Processors Association is a key partner that will be co-locating with the Urban GO Team in 2006. They also worked with the 10 Rural GO Centre Teams, and followed partners to deliver an industry promotion and agriculture awareness message to the public on the following topics:

- Agriculture In The Classroom - Manitoba: Amazing Ag Adventure in Winnipeg and Brandon, classroom presentations, Teacher Learning Adventure, Ag and the City Tour
- Manitoba Association of Agricultural Societies: Winnipeg - Red River Exhibition, Rural GO Teams – Carman, Morden, Dugald, Portage la Prairie

- Manitoba Commodity Organizations (17 partners): Royal Winter Fair, St Vital Mall Event, Great Tastes of Manitoba and CBC Weekend Morning Show
- Canadian Federation of Chefs and Cooks: Winnipeg Chapter – promotion and use of Manitoba food products with teaching and restaurant chefs
- Manitoba Restaurant Association: member information
- Ag Awareness Day 2006: Partners involved include 44 industry partners; nine provincial, municipal, and business partners

4 (a) Growing Opportunities Centres

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	8,199.2	151.62	8,793.0	(593.8)	
(2) Other Expenditures	3,140.2		3,040.9	99.3	
Total Sub-Appropriation	**11,339.4**	**151.62**	**11,833.9**	**(494.5)**	

Appropriation 4 (b) – Economy and Rural Development

The Economy and Rural Development is a Knowledge Centre comprised of two sections: The Farm and Rural Champion Section and the Business and Rural Development Section. The Farm and Rural Champion Section's focus includes: development of the individual, community capacity, and the environment for economic growth to take place in the process of renewal toward a viable and sustainable rural and northern Manitoba. The section also works to increase participation and involvement of target groups, including youth, Aboriginal people, women and young farmers. The Business and Rural Development Section focuses on increasing the prevalence of value-added processing and the growing of new businesses in rural Manitoba. An additional focus is to maintain and enhance existing rural businesses.

In support of these objectives, Economy and Rural Development staff were proactive in providing cooperative development and business management services and information, facilitating industry promotion through collaboration and alliances, and partnering in building a more diversified rural Manitoba through organizational and leadership development. Staff were committed to excellence in information dissemination, resource development, consultation, training, and working cooperatively with Growing Opportunities (GO) teams to ensure the timely delivery of programs and services to clients.

This was the first year of implementation of the department's new GO structure. The Economy and Rural Development Knowledge Center achievements during 2005/2006 include:

Rural Forum

Rural Forum 2006 featured new innovations in the energy sector, new Manitoba food products, community development success stories from across rural and northern Manitoba, and youth engaged in discussion around rural issues. The three-day event was coordinated with over 30 public and private sector partners. Rural and northern community leaders (political and non-political), community economic development (CED) practitioners, and entrepreneurs attend along with the public with an interest in rural areas.

Highlights of the event included:

- over 8600 people actively participated in the forum which featured Susan Aglukark as keynote speaker
- seminars and workshops focused on rural community economic development
- youth forum building youth leadership and business skills
- exhibits which included Manitoba food producers launching new food products
- celebration banquet

4-H and Youth

The 4-H Program provides leadership and skill development opportunities for rural youth (age 8-19), volunteer leaders, and rural communities. The program builds community leaders, trains youth in public speaking, meeting management and provides a wide range of skill building project work.

4-H clubs are involved in many community events that build and maintain healthy communities. In 2005/2006, 3953 4-H members were mentored by 1,713 adult 4-H volunteers within 214 4-H clubs. Each member participates in at least one of the 70 projects available during each 4-H year. MAFRI is responsible for 4-H project materials and new manuals in 2005/2006 included: Basics to Oxyacetylene Welding, Shielded Metal Arc Welding, Beginning Beef, Building Beef Skills, Buying into Beef, and Photography 1, 2, 3 and 4.

The minister officially recognized the 4-H program through the proclamation of Manitoba 4-H Month in November 2005. Two hundred leaders were recognized in 2005/2006 for contributing five or more years to leading youth in 4-H activities.

MAFRI developed and maintained leadership development and other support material including: 4-H Meeting Pack, Running Effective Meetings Video, Quality Equation Poster Presentations, Quality Equation 4-H Club Pack, 4-H Fun Pack; 118 videos, resources, and kits including 4-H Discovery Zone Box (leader teaching material in Communication, Meeting Management, Quality Equation, Recreation and Achievement, Agricultural Awareness, Flex your 4-H and Safety.)

Twenty provincial and national programs were delivered involving over 330 members and 257 leaders.

The MAFRI/York-Benimaru Foundation Home Stay Program celebrated its 19th Anniversary in 2005. Manitoba 4-H families hosted 20 Japanese students and two chaperones and sent 10 members and two chaperones to Japan in 2005.

Manitoba 4-H Council and MAFRI contributed to 4-H policy and program direction in Manitoba. The Council consists of 12 junior and senior volunteer directors representing six 4-H regions, MAFRI staff, a representative to the Canadian 4-H Council and a Manitoba 4-H Ambassador. The Youth Protection Program screened 568 leaders in 2005/2006 and accepted 522 leaders as part of the 4-H program. Staff worked in partnership with Manitoba 4-H Council and local Councils as well as other rural serving organizations such as Agriculture in the Classroom – Manitoba (AITC-M) and Manitoba Education, Citizenship and Youth with a mandate to provide agriculture awareness and farm safety information.

In 2005, 69 clubs cleaned 895 km of Manitoba highways in partnership with Manitoba Highways and Government Services.

Manitoba 4-H Ambassadors involved 22 4-H alumni, ages 17-22 who contributed to provincial, regional and district conferences and events. The program continues to build leadership skills in young adults and further enhances the 4-H program.

ABORIGINAL PROGRAM

An emerging priority for MAFRI is to increase Aboriginal and Northern Citizen engagement in farming and rural economic development. The Aboriginal program specialist is working to position MAFRI to establish effective working relationships with Aboriginal people, to build MAFRI networks within Aboriginal communities, and to increase Aboriginal participation in MAFRI programs. Aboriginal sensitivity training for staff was delivered.

Aboriginal 4-H Partnership Program

The 4-H and Aboriginal Partnership program developed materials to promote the 4-H program within Aboriginal communities. Pilot clubs have been identified in four Aboriginal communities.

Northern Healthy Foods Initiative

Under the Northern Healthy Foods Initiative (NHFI), 18 communities expressed interest in starting local garden initiatives and MAFRI has targeted support to Garden Hill, Sherridon, Cormorant, Little Grand Rapids and Berens River. The Northern Foods Team (NFT) provided resources including northern gardening manual, small flock poultry fact sheet, slash and burn agriculture fact sheet, food preservation fact sheets. NFT has created a committee to create food preservation resources, materials lists, workshop delivery, and the trainer approach to food preservation in all eighteen communities.

Cooperative development staff has worked with Four Arrows Regional Health Authority and Neechi Foods Co-op and established a buyers group in the Island Lakes region to access bulk perishables from Neechi Foods at a substantial cost savings to the consumer.

In partnership with the Frontier School Division, a new science curriculum to promote plant sciences and gardening for youth was developed and the new curriculum entitled "Grow North" was introduced in Thompson Manitoba.

Southern Chiefs Organization

In cooperation with the Southern Chiefs Organization (SCO), discussions were held regarding developing a network and organization in support of Aboriginal farmers. Along with participation at various meetings, a presentation on how a cooperative structure could be used for this purpose was delivered. In addition, MAFRI resources have been disseminated through the SCO, and programs identified that may be of benefit to their communities.

Agricultural Societies

Agricultural Societies continued to provide agriculture education and experience among urban and rural constituents. Agricultural Societies promote agriculture awareness through activities such as the Provincial Exhibition's "Through the Farm Gate" program, Red River Exhibition's "Farm Family of the Year" program, and partnering with Agriculture in the Classroom-Manitoba on their "Amazing Agriculture Adventure" school tours, as well as displays and activities at fairs and trade shows.

There are 62 agricultural societies in Manitoba comprised of about 11,000 members contributing to building vibrant communities through their local fairs and events. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million worth of revenue in rural Manitoba. These societies also partnered with other rural organizations to deliver additional seminars, tours, and educational programs.

The department administered *The Agricultural Societies Act* and provided the services of the Superintendent as prescribed in the Act. The Superintendent provided support to the Manitoba Association of Agricultural Societies, working with individual societies on programs, and administering the Agricultural Societies grants. Grant assistance of $368,400.00 was provided to support agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Grant assistance is also provided to the Manitoba Agricultural Hall of Fame and the Manitoba Light Horse Association.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years. In 2005/2006, 57 farm families received Century Farm recognition for their contribution to Manitoba's agriculture and agri-food industry. MAFRI works with the Manitoba Historical Society in determining the eligibility of the nominees. To date, over 1400 Manitoba farm families have been recognized.

Women's Institute

The Women's Institute was active in promoting community discussions and awareness around the topics of northern health, insurance, livestock and the environment. There are 536 members and 38 local organizations who explored these topics within their organizations and communities. Grant assistance of $35,300.00 as well as office space for their provincial office was provided in 2005/2006.

Manitoba Farm Women's Conference

The Manitoba Farm Women's 2005 Conference (MFWC) was held in Brandon with 172 participants and over 50 industry sponsors. The 20th MFWC is scheduled for November 2006 in Winnipeg.

Manitoba Farm and Rural Stress Line

The Manitoba Farm and Rural Stress Line received 1857 calls in 2005. An Internet-based resource directory (www.ruralstress.ca) augments line services and is linked to the Manitoba Agriculture, Food and Rural Initiatives home page. In 2005/2006, a youth outreach and communication plan was developed and a youth coordinator identified in response to a survey of rural youth which revealed a strong need for stress line services in this rural population group but a low awareness of its availability.

Regional Development Corporations (RDCs)

The Regional Development Corporations program is built on the principles of community economic development whereby Manitoba communities have the skills and tools at their disposal to plan and take action locally. Seven RDCs located throughout the province were supported in 2005/2006. The RDCs fostered communication and cooperation amongst member municipalities and other stakeholder groups, and pursued many regionally scoped economic development opportunities and initiatives. Provincial funding to the RDCs was $545,000.00 which is matched by municipal and local partner contributions.

Cooperative Development

The 2005/2006 year saw 12 new cooperatives incorporated under Manitoba legislation. The new cooperatives are in eight different communities and consist of:

- three housing projects
- one day care/pre-school
- two community grocery stores
- one biodiesel
- five marketing cooperatives

The website www.co-ops.mb.ca has been developed to allow access to forms necessary to file an application for incorporation: an application for funding from The Cooperative Promotion Board. In addition, the website is able to provide information on the cooperative model and links to stakeholders/partners in cooperative promotion and development, and to educational institutions with a cooperative curriculum.

Two boards are administered by MAFRI, The Cooperative Promotion Board and The Co-operative Loans and Loans Guarantee Board.

The Cooperative Promotion Board provides grants for studies, research and education related to cooperative organizations, to develop and promote cooperative organizations and to promote the general welfare of rural Manitobans. The grants range from $500.00 to $10,000.00. In 2005-2006 seven grants were approved for a total $26,710.00.

Business Development Extension Program (BDEP)

Researching to identify opportunities, developing industry partnerships to move ideas forward, and creating tools for use by communities and entrepreneurs were undertaken by the BDEP.

The Commercialization Roadmap Team for Functional Foods, Natural Health Products and Related End Products, the Functional Foods Operation Strategy Task Team in conjunction with the MAFRI/U of M Food Science, The Foods and Nutrition Research Consulting Teams were created. These teams will provide governmental collaboration in assessing and sharing relevant business, market and sector information and intelligence.

The newly formed Value-Chain Task Team links producers, processors, marketers, food service companies, retailers and supporting groups such as shippers, research groups and suppliers to meet the changing demands of increasingly discriminating end-users.

Economic opportunities in value-added processing of organic products and services were discussed with Organic Producers Association of Manitoba (OPAM), Organic Food Council, Canadian Organic Growers, and Prairie Sun Organic Farmers Market. Initial planning is underway for the 2006 Prairie Sun initiative. Registration in the *Regional Cuisine Contact Directory* for sourcing locally grown produce and products with limited availability was promoted.

Commitments of staff time in technology transfer included provincial events such as Manitoba Ag Days, Association of Manitoba Municipalities (AMM), Rural Forum, Uniquely Manitoba, Small Business Week, business outlook and investment seminars, economic development trade shows and sector conferences.

The Agriculture and Food Ventures in Manitoba directory was updated to highlight the diversification of small to medium agricultural and agri-food enterprises throughout the province.

The tool kits: "Magic of Marketing" and the "How to Create a New Food Product Kitchen to Market - Blue Box" were updated to include the areas of assessing business potential, making business plans, analyzing finances, developing a quality product, marketing, future contacts and finding resources.

Manitoba Agri-Ventures Initiative (MAVI) program

The Manitoba Agri-Ventures Initiative (MAVI) program makes funding assistance available to facilitate industry development and business ventures that will create new uses for agricultural products, add value and develop new markets for agricultural commodities and food production in Manitoba. Twenty-one projects were reviewed for a total of $113,000.00 with grants ranging from $3,000.00 to $10,000.00 for business feasibility studies, planning and market investigation.

Provincial Nominee Program for Business Immigrants

Eighteen assessments for farm and agricultural processing business applicants were presented under Provincial Nominee Program for Business Immigrants. Fifteen applicants were nominated by the Selection Committee involving a planned capital investment of $10,755,000.00. Twenty-six program interviews with applicants were completed, follow-up assistance on 34 nominated applicants was provided. Assistance was provided in the start-up of the Young Farmer Immigrant Program.

Succeeding Generations

Under the Management Training Credit (MTC) program component of MASC's Bridging Generations Initiative (BGI), there were 100 new clients during 2005/2006 and 402 eligible BGI clients for MTC at the end of March 2006. Three information and training sessions were held with MAFRI staff.

The Young Farmers Newsletter was distributed quarterly to 1050 young farmers across Manitoba and included articles on topics, such as: Manitoba Farm & Rural Stress Line, Dad's Changing Role, and Canadian Agriculture Skills Services

Canadian Agricultural Skills Services (CASS)

The CASS program assists lower income farmers and their spouses in upgrading their skills for on-farm purposes or to gain employment off the farm. In cooperation with Manitoba Advanced Education and Training (MAET), Parkland Community Futures Development Corporation (PCFDC) and the federal government, 577 applications were received, 265 applications and 269 individual learning plans were approved.

Economic Development Initiatives Branch

The Branch's mandate is to:

- financially support economic and business development initiatives in rural and northern Manitoba through the Rural Economic Development Initiatives (REDI) programs;
- provide technical assistance in the establishment of strategic industrial/business development projects in rural and northern Manitoba; and
- provide community adjustment services where required.

4 (b) Economy and Rural Development

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	1,628.5	25.89	1,666.9	(38.4)	
(2) Other Expenditures	841.9		727.0	114.9	
(3) Agricultural Societies Grant Assistance					
-Grants/Transfer Payments	368.4		368.4	-	
(4) Other Grant Assistance					
-Grants/Transfer Payments	43.6		43.6	-	
(5) Grant Assistance - Regional Development Corporations					
-Grants/Transfer Payments	545.0		545.0	-	
Total Sub-Appropriation	**3,427.4**	**25.89**	**3,350.9**	**76.5**	

Appropriation 4 (c) - Food Development Centre

The Food Development Centre (FDC) provides leadership in the creation, expansion, and diversification of the Agri-food industry through industry networks and expertise in food processing. As part of the Growing Opportunities Initiative, FDC is committed to the mandate of Manitoba Agriculture, Food and Rural Initiatives (MAFRI) to advance greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

During 2005/2006, FDC continued with the implementation of its strategic plan that will reposition FDC as a leader in the creation, expansion, and diversification of Manitoba's Agri-food industry. An investment of $9.68 million of the $13.61 million in funding identified under its strategic plan resulted in the refurbishment of its facility to meet Canadian Food Inspection Agency standards, and the purchase of leading edge technology. In 2005/2006, the FDC tenant and strategic partner Great Plains Aseptic Processors began operations bringing a unique liquid food research and development, and commercial packaging facility to Manitoba.

In conjunction with its strategic partners, FDC facilitated the development of 64 new products and assisted in the creation of 14 new employment opportunities that are expected to contribute $1,525,398.00 in GDP and $141,514.00 in provincial taxes.

FDC is a Special Operating Agency, and the 2005/2006 financial data, and performance measurements are detailed in FDC's Annual Report.

FDC fully supports and participates in MAFRI's Sustainable Development initiative under the *Sustainable Development Act*. FDC's accomplishments and activities are included in the Manitoba Agriculture, Food and Rural Initiatives' *Sustainable Development Procurement Plan* and *Procurement Report* that are submitted by the Department to Procurement Council each fiscal year. FDC also participates in the Agricultural Policy Framework.

4 (c) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	3,279.9		2,113.8	1,166.1	1
Total Sub-Appropriation	**3,279.9**		**2,113.8**	**1,166.1**	

1. *The over expenditure is due to funding required for building capital costs and start up issues surrounding the new facility.*

Appropriation 4 (d) – Food Commercialization and Marketing

The Food Commercialization and Marketing Knowledge Centre provides specialist services to field staff, producers and food processors in order to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the Knowledge Centre provides unbiased marketing and business management services and information, facilitated industry promotion through collaboration and alliances, and partnered in building a diversified rural Manitoba. Delivery of programs and services was supported with media promotion, reference materials, publications, and other resources.

Knowledge Centre activities and resource development in support of value-added/diversification included:

Market Alliances and Industry Development

The Knowledge Centre provided advice to producers, processors, and entrepreneurs exploring opportunities to add value and increase sales of agriculture and agri-food products. In addition, the Center provided assistance in developing marketing strategies, establishing integrated alliances and industry-driven market development and investment activities; worked with GO teams in identifying new market opportunities and provided mechanisms for dissemination of information to Small and Medium-sized Enterprises (SMEs). The Centre also participated in the Moving Ahead Initiative: to build a stronger link between Manitoba Food Processors Association (MFPA) and the department. Areas of interest include: food safety and HACCP support to SME businesses, R&D funding for new value-added products, stronger liaison between the Food Development Centre (FDC) and MFPA, and promoting Manitoba food products. Staff presented a training session to MAFRI personnel on Pathways to Market: Commercialization Roadmap for Functional Foods, Natural Health Products and Related End Products. Staff also actively worked on specific industry development conferences, including:

- Direct Farm Marketing Conference
- Ag Days
- Rural Forum

Research and Development Agency Coordination

Staff worked with other organizations: Canadian Centre for Agri-Food Research in Health and Medicine (CCARHM), Richardson Centre for Functional Foods and Nutraceuticals (RCFFN) and industry in nutraceuticals, ingredients, functional foods and natural health products. Linkages were created with the University of Manitoba (Faculty of Agricultural & Food Sciences, Faculty of Human Ecology, and the Technology Transfer Office) to co-ordinate activities relating to commercialization of new food and functional foods. Staff worked with FDC and MFPA in providing leadership advice on food safety and HACCP issues.

Staff worked with commodity organizations and producer groups to facilitate integrated industry alliances, providing information towards developing sector strategies and identifying barriers to commercialization.

Market Development and Promotion

The Food Commercialization and Marketing Knowledge Centre worked with Intergovernmental Affairs and Trade staff and industry in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products. Staff provided information and consultation on market development to producers, processors, marketing boards, commodity associations, staff and industry partners. Staff supported 12 incoming trade missions from seven countries/ regions focused on buckwheat, pork/meat and special crops.

The following market development and promotion information contributes directly to the Priority Services Overview criteria, and is a concrete measure of performance indicators.

With a focus on value-added product marketing and business investment, staff assisted with the participation of Manitoba companies in trade shows such as - Canadian Food and Beverage Show, Salon International de L'alimentation (SIAL), Canadian Produce Marketing Association trade show, Ag Days and Rural Forum.

Staff provided representation to Federal/Provincial Market Development Council initiatives providing inter-provincial and national cooperation in market development activity for Manitoba businesses. In cooperation with Manitoba Trade, staff contributed to the USA and European sector teams for the Canadian International Business Strategy providing input into the national program to reflect needs of Manitoba's agriculture and agri-food sector. Other major initiatives involving staff include the development of a Brand Canada campaign for international markets, industry–driven Value Chain Round Tables and export border assistance entering the Mexican market.

Staff supported the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity, which facilitates a co-operative government and industry approach to trade development in Manitoba. MAFRI staff demonstrated its commitment to this collaboration through enhanced communication, coordination of calendars, events, and use of resources.

Staff worked with the Manitoba Food Processors Association and the Promotions Committee of Manitoba commodity boards in promotion of Manitoba food products. Staff provided linkages to Manitoba chefs, and the restaurant association.

Staff updated materials for the Manitoba Food Products Directory and produced a print and web-based exporter directory as well as the Investment in Manitoba Brochure, the Vegetable U-Pick Guide and the Swine Team Task Team CD.

Staff continued the awareness and promotion initiatives to Buy Manitoban Beef for Manitobans to lessen the effects of BSE on the Manitoba beef industry including work on the *Manitoba Meat Buyers Guide*.

4 (d) Food Commercialization and Marketing

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Salaries and Employee Benefits	387.7	7.50	521.2	(133.5)	
(2) Other Expenditures	470.0		817.7	(347.7)	1
Total Sub-Appropriation	**857.7**	**7.50**	**1,338.9**	**(481.2)**	

1. *The under expenditure is primarily due to the deferral of projects for expenditure management and the implementation of the department's structural realignment and a new organizational structure under the Growing Opportunity Initiative.*

Appropriation 4 (e) – Agricultural Crown Lands

The primary objective of the Agricultural Crown Lands Section is to:

- Manage agricultural Crown lands, including all leases and permits;
- Advertise available Crown lands for lease/permit; and
- promote the productivity and sustainable use of agricultural Crown lands.
- Support the Agricultural Crown Lands Appeal Board, in relation to, implementation of the Crown land planning process (including the Block Planning Process).

The Agricultural Crown Land Use Section represents the agricultural interests in Crown lands for the benefit of both lessees and the province of Manitoba. The Section implements land use actions consistent with *The Crown Lands Act*, and the Crown lands policies and procedures manual.

Crown Land Use Acts, Regulations & Policy

Agriculture Crown Land Use represents agricultural interests of *The Crown Lands Act, The Agricultural Crown Lands Act, The Planning Act, The Provincial Land Use Policies Regulation*, and the Crown lands policies and procedures manual.

Fiscal Overview

During 2005/2006, the Section managed 2.4 million acres of Crown land which included:

- 2234 long-term forage leases involving 1,565,966 acres
- 75 cropping leases involving 10,599 acres
- During the 2005 summer grazing season, approximately 56,750 head of cattle and 1,793 horses/colts used 24 PFRA pastures.

The remaining lands are offered for permit on a yearly basis.

MAFRI coordinates the requisitioned land of approximately 425,000 acres, and provides a liaison with Prairie Farm Rehabilitation Administration (PFRA) for the community pasture program that operates primarily on provincial Crown land.

Land use staff supported the land use designation and allocation of Crown lands for agriculture and other resource uses (parks, wildlife, forestry), and through the Block Planning Committee Process.

4 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 2005/2006		Estimate 2005/2006	Variance	Expl.
	$(000s)	FTEs	$(000s)	Over/(Under) $(000s)	No.
(1) Salaries and Employee Benefits	488.0	11.00	473.5	14.5	
(2) Other Expenditures	205.0		254.5	(49.5)	
Total Sub-Appropriation	**693.0**	**11.00**	**728.0**	**(35.0)**	

Appropriation 4 (f) – Infrastructure Development Grants

This program facilitates infrastructure projects which enhance sustainable economic development in various communities in Manitoba.

Infrastructure Development Grants' activities also include:

- providing communities with technical and financial assistance to foster new and expanding sustainable economic diversification projects
- enhancing opportunities for local value added economic development

4 (f) Infrastructure Development Grants

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Grants/Transfer Payments	1,495.0		3,150.0	(1,655.0)	1
Total Sub-Appropriation	**1,495.0**		**3,150.0**	**(1,655.0)**	

1. *The under expenditure is mainly due to department's expenditure management process to meet higher than expected income support program costs.*

Appropriation 4 (g) – Less: Recoverable from Rural Economic Development Initiatives

This program provides for the recovery of expenditures related to:

- Community and Regional Development Initiatives and Economic Development Initiatives
- Grants to the Regional Development Corporations, from the Rural Economic Development Initiatives Program
- Funding for Rural Economic Development Initiative programs and for Regional Development Corporations

4 (g) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Recoverable from Rural Economic Development Initiatives	(2,433.5)		(4,183.8)	1,750.3	1
Total Sub-Appropriation	**(2,433.5)**		**(4,183.8)**	**1,750.3**	

1. *The under expenditure is mainly due to the reduction in the recovery from Rural Economic Development Initiatives for Infrastructure Development Grants (see explanation in Appropriation 4(f)).*

Appropriation 4 (h) – Rural Economic Development Initiatives (REDI)

REDI provides funding to enhance business and cooperative development; create opportunities for youth; support industry and help rural communities and organizations address local priorities and needs, thereby improving quality of life of Manitobans.

REDI programs include:

Feasibility Studies Program

This program assisted rural businesses, co-ops, community development corporations, and municipalities to access reliable research and planning for potentially new or expanding projects that contribute to community prosperity, including the creation of jobs. The program provided up to 50% cost-shared funding for:

- the hiring of an independent consultant for financial, marketing or engineering analysis,
- development of a business plan, and/or
- International Organization for Standardization (ISO) / Hazard Analysis Critical Control Point (HACCP) certification.

Rural Entrepreneur Assistance Program (REA)

This program provided loan guarantees of up to $200,000.00 to full-time, small and home-based operations in rural Manitoba for business start-ups or expansions through participating financial institutions. The program also supported applicants' prospects for success by covering business seminars and other activities. Virtually all banks and credit unions in Manitoba participated in the program. The program is administered by the Manitoba Agricultural Services Corporation.

Community Works Loan Program

This program provided cost-shared funding to participating Community Development Corporations (CDC) allowing them to establish revolving capital pools that support new or expanding small businesses with loans of up to $10,000.00. These micro loans fill a gap by supporting businesses that would not normally have access to assistance through traditional lending institutions. The program also offered skills development to community members who serve on CDC boards.

Hometown Program

This program provided financial support for rural and northern area projects initiated by local communities, organizations, cooperatives, and businesses that enhance main street, public places and building exteriors. The program promoted the unique identities and themes that define communities.

The Community Enterprise Development Tax Credit (CEDTC)

The program provided an opportunity for Manitobans to invest in their own community while offering community enterprises access to capital for start-up costs or expansions. The CEDTC program will be promoted by program staff during 2006/2007.

Green Team Program

The program was administered by Education and Youth and provided summer employment opportunities to rural youth 16 to 24 years of age. There are two parts to the program: one offering employment in provincial parks and the second, the Hometown component, enabling communities, municipalities, tourism operators, and Conservation Districts to hire youth for summer projects.

Partners with Youth Program

The program was administered by Education and Youth to help improve the employability of young people facing multiple barriers to employment or who are on social assistance. Eligible participants, 18 to 29 years of age, received job search assistance, training, and other work experience for up to eight weeks through participating sponsors. The Young Entrepreneur Program component offered grants of up to $4,000 to youth 18 to 29 years of age to establish their own new full-time, year-round business.

Strategic Initiatives

This component funded strategic projects which were significant in terms of:

- building a foundation for sustainable economic development
- diversification of the rural economy
- enhancement of programs, and services

The program supports initiatives that bring large scale benefits to communities and regions.

Grow Bonds Program

Grow Bonds allowed Manitobans to invest directly in local enterprises under provisions of The Community Development Bonds Act, whereby communities managed bond offerings, while the Province guaranteed the bond principal. This program is no longer being offered and has been replaced with the Community Enterprise Development Tax Credit Program. There are six Grow Bonds still being administered for a total of $5.1 million.

Other Programs

- REDI provided funding for sewer and water projects (Manitoba Water Services Board) and Conservation Districts administered by Manitoba Water Stewardship.
- Manitoba Conservation administered funds to mitigate spruce budworm and Dutch Elm disease, as well as beach safety services.
- Manitoba Justice administered funds to enhance rural policing.

4 (h) Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
(1) Programs - Operating	12,427.8		16,443.5	(4,015.7)	1
(2) Programs - Capital Grants	4,013.2		5,306.5	(1,293.3)	2
Total Sub-Appropriation	**16,441.0**		**21,750.0**	**(5,309.0)**	

1. *The under expenditure is mainly due to expenditure management reductions through the deferral of projects and lower rural policing expenditures offset by increases for projects such as Across Canada Trails, Keystone Centre, Parkland Industrial Hemp and Manitoba Cattle Enhancement Council.*

2. *The under expenditure is primarily due to lower than anticipated participation in the Hometown Manitoba Program and expenditure management reductions mainly through the deferral of projects.*

Appropriation 5
Costs Related to Capital Assets

The main objective of Amortization and Other Costs related to Capital Assets is to provide for amortization and interest on capital expenditures.

Appropriations 5 (a) and 5 (b) – Desktop Services and Amortization Expense

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are recorded in Capital Investment (Part B) and amortization on a straight line basis over the periods of service provided by the assets is included as an operating expense (Part A). A half-year's worth of amortization is recorded on assets acquired or disposed of during the year. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

The department's tangible capital assets include machinery and equipment, as well as the department's share of the costs related to the Desktop Management and Better Methods Initiatives. These assets are amortized over the following period:

Machinery and Equipment	10 Years
Desktop Management Initiative	Various periods ranging between 4 to 10 years
Better Methods Initiative	15 Years

5 (a) Desktop Services

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures:					
(1) Amortization Expense - Transition	80.2		80.3	(0.1)	
(2) Enterprise Software Licenses	139.6		139.6	-	
Total Sub-Appropriation	**219.8**		**219.9**	**(0.1)**	

5 (b) Amortization Expense

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures	266.9		272.6	(5.7)	
Total Sub-Appropriation	**266.9**		**272.6**	**(5.7)**	

Appropriation 5 (c) - Interest Expense

Interest costs on borrowings related to investments in tangible capital assets are charged to the department based on the average net book value for the year. A half-year's worth of interest is recorded on assets acquired or disposed off during the year.

The capital asset purchases are recorded in Part B – Capital Investment. For more information on tangible capital assets see Votes 9A and 9B.

5 (c) Interest Expense

Expenditures by Sub-Appropriation	Actual 2005/2006 $(000s)	Estimate 2005/2006 FTEs	Estimate 2005/2006 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Other Expenditures	39.0		41.3	(2.3)	
Total Sub-Appropriation	**39.0**		**41.3**	**(2.3)**	

SECTION ONE

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B – Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 8.

Part B - Capital Investment

	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTE	Estimate 2004/2005 $(000's)	Variance Over / (Under)	Expl. No.
Capital Investment	236.5	-	242.0	(5.5)	
TOTAL	236.5	-	242.0	(5.5)	

SECTION TWO

EXPENDITURE AND REVENUE

SUMMARY TABLES

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-1 POLICY AND MANAGEMENT				
29.7	25.6	4.1		(a) Minister's Salary	29.7	29.4	0.3	
				(b) Executive Support				
462.1	437.9	24.2		(1) Salaries and Employee Benefits	462.1	473.9	(11.8)	
76.0	72.3	3.7		(2) Other Expenditures	76.0	66.5	9.5	
53.9	63.7	(9.8)		(3) Policy Studies	53.9	71.2	(17.3)	
				(c) Strategic Planning Directorate				
548.2	51.0	497.2	1	(1) Salaries and Employee Benefits	548.2	456.9	91.3	
85.2	28.4	56.8	2	(2) Other Expenditures	85.2	134.8	(49.6)	
				(d) Policy Analysis				
988.0	1,215.1	(227.1)	1	(1) Salaries and Employee Benefits	988.0	1,180.3	(192.3)	*
256.6	390.5	(133.9)	3	(2) Other Expenditures	256.6	335.9	(79.3)	
				(e) Knowledge Management				
1,019.1	754.3	264.8	1	(1) Salaries and Employee Benefits	1,019.1	1,091.7	(72.6)	
157.9	192.5	(34.6)		(2) Other Expenditures	157.9	159.3	(1.4)	
				(f) Information Technology Services				
520.1	506.9	13.2		(1) Salaries and Employee Benefits	520.1	562.5	(42.4)	
40.8	70.9	(30.1)		(2) Other Expenditures	40.8	70.1	(29.3)	
				(g) Boards, Commissions and Legislation				
457.0	427.0	30.0		(1) Salaries and Employee Benefits	457.0	547.7	(90.7)	
476.9	664.8	(187.9)	4	(2) Other Expenditures	476.9	695.2	(218.3)	*
				(h) Land Use Planning				
392.0	397.0	(5.0)		(1) Salaries and Employee Benefits	392.0	508.4	(116.4)	*
99.3	134.7	(35.4)		(2) Other Expenditures	99.3	117.4	(18.1)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-1 POLICY AND MANAGEMENT (Cont'd)				
				(i) Financial and Administrative Services				
601.6	638.7	(37.1)		(1) Salaries and Employee Benefits	601.6	724.1	(122.5)	*
247.1	288.9	(41.8)		(2) Other Expenditures	247.1	379.8	(132.7)	*
				(j) Human Resource Management Services				
372.1	303.8	68.3	1	(1) Salaries and Employee Benefits	372.1	337.8	34.3	
47.3	45.8	1.5		(2) Other Expenditures	47.3	48.4	(1.1)	
6,930.9	6,709.8	221.1		Subtotal 03-1	6,930.9	7,991.3	(1,060.4)	
				03-2 RISK MANAGEMENT, CREDIT AND INCOME SUPPORT PROGRAMS				
				(a) Manitoba Agricultural Services Corporation				
3,896.7	4,642.7	(746.0)	5	(1) Administration - Manitoba Agricultural Credit Corp.	3,896.7	4,889.2	(992.5)	*
5,001.4	4,405.9	595.5	6	(2) Administration - Manitoba Crop Insurance Corp.	5,001.4	4,532.8	468.6	*
19,778.1	21,673.0	(1,894.9)	7	(3) Insurance Premiums	19,778.1	23,098.0	(3,319.9)	*
867.1	914.5	(47.4)		(4) Wildlife Damage Compensation	867.1	732.4	134.7	*
1,316.3	1,437.4	(121.1)		(5) Net Interest Costs and Provisions	1,316.3	1,356.0	(39.7)	
29.1	92.6	(63.5)	8	(6) Special Farm Assistance	29.1	100.0	(70.9)	*
141.3	109.8	31.5		(7) Emergency Loan Assistance	141.3	141.3	-	
304.4	164.9	139.5	9	(8) Bridging Generations Initiative	304.4	304.4	-	
143,075.0	52,595.4	90,479.6	10	(b) Canadian Agricultural Income Stabilization Program	143,075.0	52,501.0	90,574.0	*
159.2	4,613.3	(4,454.1)	11	(c) Livestock Industry Development Assistance	159.2	1,000.0	(840.8)	*
20,905.7	12,930.6	7,975.1	12	(d) Farmland School Tax Rebate	20,905.7	20,435.0	470.7	*
				(e) Less: Recoverable from Rural Economic Development				
(743.6)	(290.8)	(452.8)	13	Initiatives	(743.6)	(1,537.7)	794.1	*
194,730.7	103,289.3	91,441.4		Subtotal 03-2	194,730.7	107,552.4	87,178.3	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-3 AGRI-INDUSTRY DEVELOPMENT AND INNOVATION				
				(a) Livestock Industry				
4,147.7	4,475.5	(327.8)		(1) Salaries and Employee Benefits	4,147.7	4,425.6	(277.9)	
1,579.9	1,835.8	(255.9)		(2) Other Expenditures	1,579.9	1,670.7	(90.8)	
519.3	517.4	1.9		(3) Grant Assistance - Operating	519.3	474.9	44.4	
200.0	300.0	(100.0)	14	(4) Grant Assistance - Capital	200.0	200.0	-	
				(b) Food Safety				
903.2	284.4	618.8	1	(1) Salaries and Employee Benefits	903.2	969.1	(65.9)	
226.9	82.4	144.5	15	(2) Other Expenditures	226.9	207.4	19.5	
				(c) Crop Industry				
2,297.8	2,708.5	(410.7)	1	(1) Salaries and Employee Benefits	2,297.8	2,635.9	(338.1)	*
608.9	861.1	(252.2)	16	(2) Other Expenditures	608.9	801.5	(192.6)	
				(d) Agri-Environment				
1,321.6	1,360.6	(39.0)		(1) Salaries and Employee Benefits	1,321.6	1,539.3	(217.7)	
342.2	429.0	(86.8)		(2) Other Expenditures	342.2	381.5	(39.3)	
297.8	621.9	(324.1)	17	(e) Irrigation Development	297.8	922.5	(624.7)	*
				(f) Innovation Services				
628.6	283.3	345.3	1	(1) Salaries and Employee Benefits	628.6	873.6	(245.0)	*
166.5	92.0	74.5	18	(2) Other Expenditures	166.5	218.2	(51.7)	
1,000.0	1,000.0	-		(g) Agri-Food Research and Development Initiative	1,000.0	1,000.0	-	
773.3	998.2	(224.9)	19	(h) Agricultural Sustainability Initiative	773.3	1,118.5	(345.2)	*
868.3	768.3	100.0		(i) Grant to the University of Manitoba	868.3	868.3	-	
332.5	332.5	-		(j) Grant to the Prairie Agricultural Machinery Institute	332.5	332.5	-	
16,214.5	16,950.9	(736.4)		Subtotal 03-3	16,214.5	18,639.5	(2,425.0)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-4 AGRI-FOOD AND RURAL DEVELOPMENT				
				(a) Growing Opportunities Centres				
8,199.2	8,675.6	(476.4)		(1) Salaries and Employee Benefits	8,199.2	8,793.0	(593.8)	
3,140.2	2,848.7	291.5		(2) Other Expenditures	3,140.2	3,040.9	99.3	
				(b) Economy and Rural Development				
1,628.5	2,021.1	(392.6)	1	(1) Salaries and Employee Benefits	1,628.5	1,666.9	(38.4)	
841.9	897.0	(55.1)		(2) Other Expenditures	841.9	727.0	114.9	
368.4	364.7	3.7		(3) Agricultural Societies Grant Assistance	368.4	368.4	-	
43.6	43.5	0.1		(4) Other Grant Assistance	43.6	43.6	-	
				(5) Grant Assistance - Regional Development				
545.0	505.0	40.0		Corporations	545.0	545.0	-	
3,279.9	4,513.7	(1,233.8)	20	(c) Food Development Centre	3,279.9	2,113.8	1,166.1	*
				(d) Food Commercialization and Marketing				
387.7	57.0	330.7	1	(1) Salaries and Employee Benefits	387.7	521.2	(133.5)	
470.0	359.5	110.5		(2) Other Expenditures	470.0	817.7	(347.7)	*
				(e) Agricultural Crown Lands				
488.0	553.2	(65.2)		(1) Salaries and Employee Benefits	488.0	473.5	14.5	
205.0	261.8	(56.8)		(2) Other Expenditures	205.0	254.5	(49.5)	
1,495.0	2,060.1	(565.1)	21	(f) Infrastructure Development Grants	1,495.0	3,150.0	(1,655.0)	*
				(g) Less: Recoverable from Rural Economic Development				
(2,433.5)	(3,354.8)	921.3	22	Initiatives	(2,433.5)	(4,183.8)	1,750.3	*
				(h) Rural Economic Development Initiatives				
12,427.8	10,773.6	1,654.2	23	(1) Programs - Operating	12,427.8	16,443.5	(4,015.7)	*
4,013.2	4,346.2	(333.0)		(2) Programs - Capital Grants	4,013.2	5,306.5	(1,293.3)	*
35,099.9	34,925.9	174.0		Subtotal 03-4	35,099.9	40,081.7	(4,981.8)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-5 COSTS RELATED TO CAPITAL ASSETS				
				(a) Desktop Services				
80.2	80.2	-		(1) Amortization Expense - Transition	80.2	80.3	(0.1)	
139.6	139.7	(0.1)		(2) Enterprise Software Licenses	139.6	139.6	-	
266.9	253.1	13.8		(b) Amortization Expense	266.9	272.6	(5.7)	
39.0	35.8	3.2		(c) Interest Expense	39.0	41.3	(2.3)	
525.7	508.8	16.9		Subtotal 03-5	525.7	533.8	(8.1)	
253,501.7	162,384.7	91,117.0		**TOTAL: DEPARTMENT OF AGRICULTURE, FOOD AND RURAL INITIATIVES**	253,501.7	174,798.7	78,703.0	

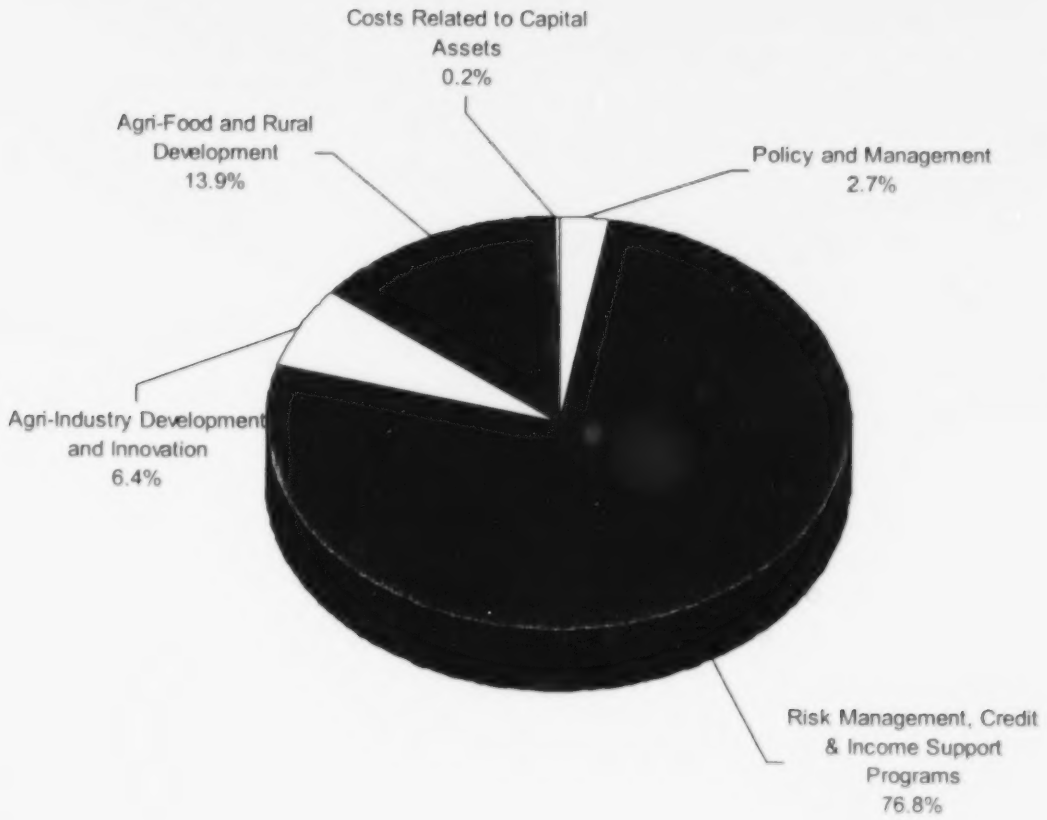
Explanation Number (cont'd)

1. *The net increase in Departmental salaries and employee benefits is mainly due to a reduction in the turnover allowance in 2005/06 from 7.8% to 5% and implementation of Growing Opportunities partially offset by holding positions vacant to provide funding to meet the department's financial pressures.*
2. *The increase in Strategic Planning – Other Expenditures of $56.8 is mainly due to the implementation of the department's new organizational structure under the Growing Opportunity Initiative partially offset by expenditure management reductions in 2005/06.*
3. *The decrease in Policy Analysis – Other Expenditures of ($133.9) is mainly the result of legal expenses incurred last year for an investigation of swine countervailable subsidies and the current under-expenditure associated with the implementation of a new mentoring program in the Succeeding Generations program.*
4. *The decrease in Boards, Commissions and Legislation of ($187.9) is mainly the result of the Manitoba Horse Racing Commission grant being replaced by funding direct from the Manitoba Lotteries Corporation and expenditure management reductions in 2005/06.*
5. *The decrease in Administration – Manitoba Agricultural Credit Corporation of ($746.0) is mainly the result of its merger with the Manitoba Crop Insurance Corporation. Certain activities were postponed and other items were deferred pending results from the merger.*
6. *The increase in Administration – Manitoba Crop Insurance Corporation of $595.5 is mainly the result of higher than average 2005/06 insurance claim activity.*
7. *The decrease in Insurance Premiums of ($1,894.9) is mainly due to an increase in unseeded acres caused by excess moisture in the spring of 2005 and a decrease in 2005 unit values. These decreases were partially offset by an increase in premium rates.*
8. *The decrease in Special Farm Assistance of ($63.5) is mainly due to unusually low claims made under the loan payment guarantee program.*
9. *The increase in Bridging Generations Initiative of $139.5 is mainly due to increased costs related to the management training credit caused by increased program activity.*
10. *The Canadian Agricultural Income Stabilization Program is designed to partially offset declines in farm income, and the increased expenditure of $90,479.6 over the prior year is due to a significant drop in net farm income for many producers in 2005. According to federal government estimates, the total net income earned by farmers in Manitoba fell from $310.9 million in 2004 to $12.1 million in 2005, the lowest level in over 20 years. The decrease in net income was mainly due to substantial production losses in grain and oilseed production due to excessive moisture conditions, as well as low commodity prices and higher fuel prices.*
11. *The decrease in Livestock Industry Development Assistance of ($4,454.1) is mainly due to one time 2004/05 assistance for Rancher's Choice Beef Processing Co-op project and the review and deferral of projects as part of the department's expenditure management process to meet higher than expected income support program costs for 2005/06.*
12. *The increase in Farmland School Tax Rebate of $7,975.1 is mainly due to the increase in the school tax rebate on farmland from 33% to 50%.*

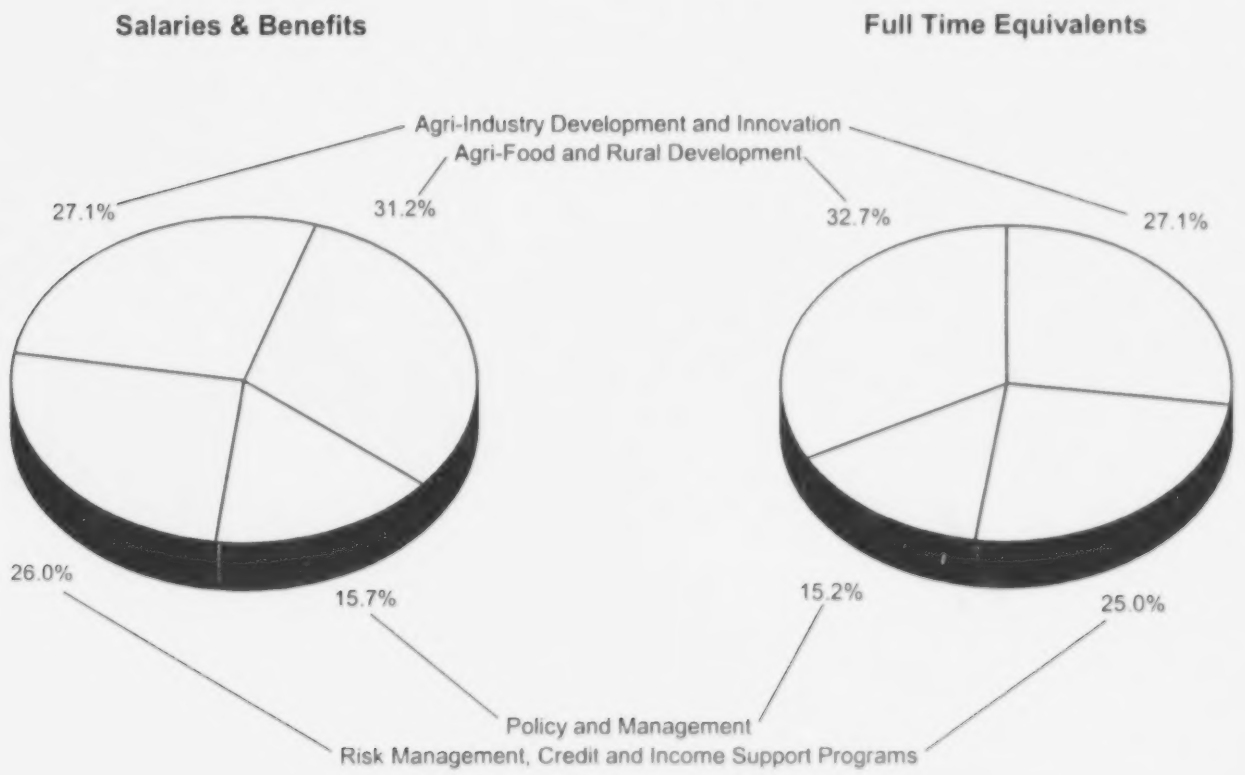
Explanation Number (cont'd)

13. *The increase in Less: Recoverable from Rural Economic Development Initiatives of ($452.8) is mainly due to increased recovery under the LIDA program and increased Rural Entrepreneurial Assistance (REA) activity and related provision in 2005/06.*
14. *The decrease in Livestock Industry – Grant Assistance – Capital of ($100.0) is due to a reduction in the Veterinary Technical Enhancement grant being made in 2005/06 after 5 years of support to public veterinary clinics for infrastructure and equipment. The funds were transferred to cover increased veterinary demands for testing at the Animal Health Centre and the resulting lab expansion.*
15. *The increase in Food Safety – Other Expenditures of $144.5 is mainly due to increased travel costs resulting from issues such as avian influenza, animal health, emergency preparedness, anthrax control and the implementation of the department's new organizational structure under the Growing Opportunity Initiative.*
16. *The decrease in Crop Industry – Other Expenditures of ($252.2) is mainly due to the implementation of the department's new organizational structure under the Growing Opportunity Initiative and expenditure management reductions in 2005/06.*
17. *The decrease in Irrigation Development of ($324.1) is mainly due to persistent wet weather conditions throughout the summer of 2005 which delayed both planning and implementation of new irrigation projects in Manitoba.*
18. *The increase in Innovation Services – Other Expenditures of $74.5 is mainly the result of the implementation of the department's new organizational structure under the Growing Opportunity Initiative.*
19. *The decrease in Agricultural Sustainability Initiative of ($224.9) is mainly the result of projects not being completed or contracts not proceeding at all due to wet weather conditions and higher expenditure management reductions in 2005/06 than in 2004/05.*
20. *The decrease in the Food Development Centre of ($1,233.8) is due to reduced building and equipment capital costs as the centre works through the implementation phase of the new facility.*
21. *The decrease in Infrastructure Development Grants of ($565.1) is due to the department's expenditure management process to meet higher than expected Income Support program costs.*
22. *The decrease in Less: Recoverable for Rural Economic Development Initiatives of $921.3 is mainly due to expenditure management reductions in 2005/06 to offset the high costs of income support programs.*
23. *The increase in Rural Economic Development Initiatives – Programs – Operating of $1,654.2 is mainly due to increased funding in 2005/06 due to higher Video Lottery Terminal (VLT) revenues partially offset by increased expenditure management reductions in 2005/6.*

Department of Agriculture, Food and Rural Initiatives
Distribution by Main Appropriation
2005/2006 Expenditures



Department of Agriculture, Food and Rural Initiatives
Percentage Distribution of Salaries & Employee Benefits
And Full Time Equivalents - 2005/2006



Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part B - Capital Investment Summary

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
66.9	236.5	(169.6)	1	**Capital Investment**	66.9	165.5	(98.6)	*
66.9	236.5	(169.6)		TOTAL	66.9	165.5	(98.6)	

1. *The decrease in Capital Investment of ($169.6) is due to a planned reduction in acquisitions and deferrals in 2005/06 due to Growing Opportunities Initiative changes.*

Appendix A

Manitoba Agriculture, Food and Rural Initiatives

Revenue Summary By Source

for the fiscal year ended March 31, 2006 with comparative figures for the previous fiscal year

Actual 2005/2006 $(000's)	Actual 2004/2005 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Source	Actual 2005/2006 $(000's)	Estimate 2005/2006 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
3.3	0.7	2.6	1	Rabies Indemnity	3.3	6.0	(2.7)	5
99.1	259.2	(160.1)	2	Income Support Administration Recovery	99.1	70.0	29.1	
100.0	34.4	65.6	3	BSE Surveillance Program	100.0	-	100.0	6
202.4	294.3	(91.9)		Sub-Total	202.4	76.0	126.4	
				Other Revenue:				
2,942.6	2,604.4	338.2	4	(a) Fees	2,942.6	2,461.0	481.6	7
65.1	91.6	(26.5)		(b) Sundry	65.1	46.3	18.8	
3,007.7	2,696.0	311.7		Sub-Total	3,007.7	2,507.3	500.4	
3,210.1	2,990.3	219.8		Total Department Revenue	3,210.1	2,583.3	626.8	

Explanation Number

1. *The increase in Government of Canada – Rabies Indemnity of $2.6 is due to the increase in the incidence of rabies and the related provincial indemnity payments.*
2. *The decrease in Government of Canada – Income Support Administration Recovery of ($160.1) is mainly due to a doubling up of revenues with the 2003/04 cost recovery falling in the 2004/05 fiscal year due to a delay in receiving eligible administration costs for recovery and more activity for promotion and education in relation to launching a new program.*
3. *The increase in Government of Canada – BSE Surveillance Program of $65.6 is primarily due to a higher number of reimbursements from the Canadian Food Inspection Agency (CFIA) for cattle picked up by the Cattle Mortality Pickup Service and tested for BSE.*
4. *The increase in Other Revenue - Fees of $338.2 was mainly the result of the following:*
   a) *$240.8* *Increase in Veterinary Diagnostic fees revenue is due to a significant increase in testing at the Veterinary Services Diagnostic lab resulting from growing concerns regarding infectious diseases.*
   b) *$ 73.1* *Increase in Lease Rentals – Crown Lands is due to increased interest charges associated with outstanding accounts and an increase in the rental rate from $1.66 animal unit months (AUMs) to $1.87/AUM*
5. *The variance under authority in Government of Canada – Rabies Indemnity of ($2.7) is due to an error in calculating the recovery from the Government of Canada resulting in an over estimation of revenue for the budget.*
6. *The variance over authority in Government of Canada – BSE Surveillance Program of $100.0 is due to reimbursement from the Canadian Food Inspection Agency (CFIA) for cattle picked up by the Cattle Mortality Pickup Service and tested for BSE.*
7. *The variance over authority in Other Revenue – Fees of $481.6 is primarily the result of the following:*
   a) *$374.1* *Increase in Veterinary Diagnostic fees revenue is due to an increase in testing at the Veterinary Services Diagnostic laboratory resulting from growing concerns regarding infectious diseases.*
   b) *$114.7* *Increase in Lease Rentals – Crown Lands is due to increased interest charges associated with outstanding accounts and an increase in the rental rate from $1.66/AUM to $1.87/AUM.*

SECTION THREE

EXPENDITURE AND STAFFING

SUMMARY TABLES

Appendix B
Department of Agriculture, Food and Rural Initiatives
Five Year Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ending March 31, 2002 to March 31, 2006

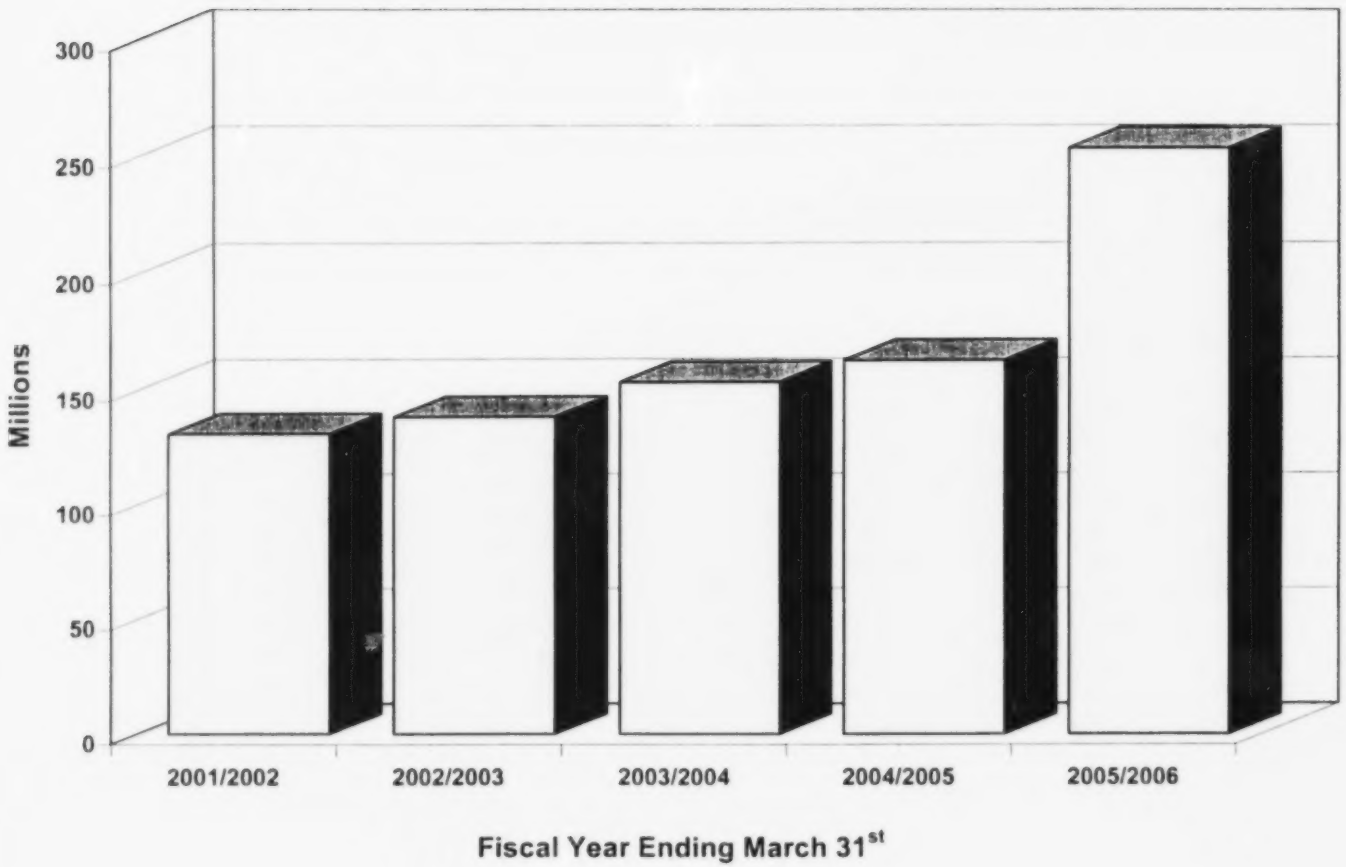
		Actual / *Adjusted Expenditures									
		2001/2002		2002/2003		2003/2004		2004/2005		2005/2006	
Main Appropriation		FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)
03-1 Policy and Management	(1)	36.39	2,389.0	36.39	2,643.7	35.39	2,636.1	82.08	6,709.8	91.50	6,930.9
03-2 Risk Management, Credit and Income Support Programs	(1)(2)	101.00	72,621.7	101.00	76,659.7	101.00	89,386.6	158.00	103,289.3	150.00	194,730.7
03-3 Agri-Industry Development and Innovation	(1)	61.00	5,658.0	61.00	5,643.9	61.00	5,916.8	167.19	16,950.9	162.67	16,214.5
03-4 Agri-Food and Rural Development	(1)	157.73	15,184.4	157.73	14,814.4	157.73	15,820.7	208.91	34,925.9	196.01	35,099.9
03-5 Costs Related to Capital Assets	(1)	219.87	14,665.1	219.87	14,416.4	220.87	15,057.2	-	508.8	-	525.7
03-6 Rural & Northern Community Economic Development	(1)	29.00	14,614.4	30.00	18,055.7	30.00	18,253.7	-	-	-	-
03-7 Policy and Economics	(1)	26.19	2,371.7	26.19	2,506.5	26.19	2,565.8	-	-	-	-
03-8 Agriculture Research and Development	(1)	-	2,738.4	-	2,876.3	-	3,146.1	-	-	-	-
03-9 Costs Related to Capital Assets	(1)	-	794.7	-	756.6	-	486.1	-	-	-	-
Total Departmental Appropriations		631.18	131,037.4	632.18	138,373.2	632.18	153,269.1	616.18	162,384.7	600.18	253,501.7

* Adjusted figures reflect historical data on a comparable basis in those appropriations affected by a re-organization during the years under review.

Explanation Number:

1. *The 2004/05 and 2005/06 actuals have been adjusted for the department's new organizational structure under the Growing Opportunities Initiative. The Department's programs and services were realigned to best meet local community and industry needs and to meet the Department's expanded mandate. The 2003/04, 2002/03 and 2001/02 actual expenditures were not adjusted.*
2. *The 2004/05 and 2005/06 actuals have been adjusted to reflect the transfer of Farmland School Tax Rebate from the Tax Assistance Office, Department of Finance to the Department of Agriculture, Food and Rural Initiatives. This program was introduced in November of 2004.*

Department of Agriculture, Food and Rural Initiatives
Five Year Expenditure History
For Years Ending March 31, 2002 to March 31, 2006



Appendix C
Department of Agriculture, Food and Rural Initiatives
Reconciliation Statement

DETAILS	2005/2006 ESTIMATES $(000's)
2005/2006 MAIN ESTIMATES	174,363.7
MAIN ESTIMATES AUTHORITY TRANSFERRED FROM:	
- Internal Reform, Workforce Adjustment and General Salary Increases	435.0
MAIN ESTIMATES AUTHORITY TRANSFERRED TO:	-
2005/2006 ESTIMATE	**174,798.7**

Appendix D

Manitoba Agriculture, Food and Rural Initiatives
Statutory Responsibilities of the Minister of Agriculture, Food and Rural Initiatives

The Agricultural Credit Corporation Act
The Agricultural Producers Organization Funding Act
The Agricultural Productivity Council Act
The Agricultural Societies Act
The Department of Agriculture Act
The Agrologists Act
The Animal Care Act
The Animal Diseases Act
The Animal Liability Act
The Bee Act
The Cattle Producers Association Act
The Coarse Grain Marketing Control Act
The Co-operative Association Loans and Loans Guarantee Act
The Co-operative Promotion Trust Act
The Community Development Bonds Act
The Crop Insurance Act
The Crown Lands Act [Sections 7.2(2) to 7.6 and sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23 and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Regulation 288/88) and Agricultural Crown Land Leases Regulation (Manitoba Regulation 168/2001)]
The Dairy Act
The Family Farm Protection Act
The Farm Income Assurance Plans Act
The Farm Lands Ownership Act
The Farm Machinery and Equipment Act
The Farm Practices Protection Act
The Farm Products Marketing Act
The Fruit and Vegetable Sales Act
The Horse Racing Commission Act
The Horse Racing Regulation Act
The Land Rehabilitation Act
The Livestock and Livestock Products Act
The Livestock Industry Diversification Act
The Margarine Act
The Milk Prices Review Act
The Noxious Weeds Act
The Pesticides and Fertilizers Control Act
The Plant Pests and Diseases Act [except that portion of clause 16(c) that pertains to arborists and clause 16(i)]
The Seed and Fodder Relief Act
The Veterinary Medical Act
The Veterinary Science Scholarship Fund Act
The Veterinary Services Act
The Wildlife Act [that portion of clause 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl]
The Women's Institutes Act

Appendix E
Manitoba Agriculture, Food and Rural Initiatives
Performance Indicators

What is being measured and how? (A)	***Why is it important to measure this? (B)***	***What is the most recent available value for this indicator? (C)***	***What is the trend over time for this indicator? (D)***	***Comments/ recent actions/report links (E)***
The level of diversification within the agricultural sector, by measuring the shift in receipts among industry segments.	It is important that the sector becomes more diversified because we want to see shifts in receipts that diversify, rather than consolidate, our agricultural production. This can provide greater economic stability for the sector, farm communities, and overall provincial economy.	Data is available for 2005 and information is updated annually. *Highlights of shifts in receipts comparing 1990 to **2005**:* *Grains and oilseeds: 45% vs. **27%*** *Hogs: 13% vs. **30%*** *Other crop: 11% vs. **15%***	*Improving* Manitoba producers have moved their production to other crops such as beans and potatoes as expanded market opportunities became available. Most noticeable over this period has been the large increase in hog production which has greatly added to Manitoba export totals.	Over the past decade and longer the agriculture sector has shifted into special crops (beans, sunflowers, and potatoes), along with an increased expansion in the hog industry.
Farm profitability, by measuring total net income for Manitoba farmers. (This figure combines market returns and direct program payments from government.) Ideally, farm profitability needs to increase over time.	Farm profitability is important to Manitoba because of the need to understand market returns being received by producers, and how direct program payments stabilize the sector during periods of market decline. Policy and programming can then be adjusted or further developed to assist the sector in moving forward.	Data available to 2004 with information updated annually. *Total Net Income (value in '000s):* *2000 - $478,000* *2001 - $559,000* *2002 - $695,000* *2003 - $503,000* *2004 - $317,000*	*Decreasing in the last three years due to major factors such as wet weather, poor market returns and impact of BSE.* Profitability tied directly to weather, international markets, and trade policy shifts. Recently more reliance on direct program payments to maintain income.	In response to the farm profitability issue there are many ongoing programs to stabilize and provide opportunity to explore other farm income streams. For example; Canadian Agricultural Income Stabilizations program, Canadian Agricultural Skills Service to name just two of many programs. In addition, Manitoba Crop Insurance Corporation provided $500 million in 05/06 to producers affected by adverse growing conditions.

What is being measured and how? (A)	*Why is it important to measure this? (B)*	*What is the most recent available value for this indicator? (C)*	*What is the trend over time for this indicator? (D)*	*Comments/ recent actions/report links (E)*
The on-farm uptake of best management practices, by measuring the percentage of Environmental Farm Plans completed.	It is important to understand the likelihood of future uptake of best management practices because they are a major component of effective environmental stewardship for the sector.	National Renewal Survey (NRS) data for 2004 and projected for 2007. *Percent of Canadian farm Operators with written environmental farm plans - NRS 2004:* *Manitoba – 13%* *Saskatchewan – 8%* *Alberta – 17%* *Ontario – 46%* *Canada Average – 29%* Provincial data on current environmental programming is now available annually.	*Improving* The NRS data provides an initial starting point for Manitoba with 2005/2006 provincial data indicating a rapid increase in planning applications within the agriculture sector.	Provincial data for 05/06 shows rapid growth in environmental planning by Manitoba producers; *3400 workshop participants with 1317 Environmental Farm Plan completions at the end of 2005/06.* With another possible NRS in early 2007, the response to written environmental farm plans would be expected to increase accordingly.
The contribution of value-added agrifood exports to Manitoba's GDP, by measuring the value of "intermediate and consumer processed agrifood exports". Ideally, we want to see this figure increasing over time, and also increase as a proportion of the total agrifood exports.	With an increasing trend less primary product is being exported and growth in economic value is being provided to the sector or province. In addition, empowering producers to become part of a value-added effort should also strengthen farm profitability for those individuals and communities.	Data is available annually from Statistics Canada with a two year lag. *2000 - $1,392 billion(MB)* *2005 - $1,784 billion (MB)* *2000 - $17,005 billion(CDN)* *2005 - $20,497 billion(CDN)*	*Increasing* *Over the last five years, there has been an average annual growth rate of 2.4% compared to Canada with an annual average growth rate of 3.4%.*	Agriculture, Food and Rural Initiatives with its restructuring in 2005/2006 has created a focus to expand efforts with the new Food Commercialization Knowledge Centre. In addition recent investments in the new area of Nutraceuticals/Functional foods also occurred. See page x of the Annual Report for further details.

What is being measured and how? (A)	*Why is it important to measure this? (B)*	*What is the most recent available value for this indicator? (C)*	*What is the trend over time for this indicator? (D)*	*Comments/ recent actions/report links (E)*
We are measuring the contribution of all agrifood exports to Manitoba's GDP by looking at the value of total agrifood exports. Ideally, we want to see this figure increasing over time.	With Manitoba being in the geographic centre of Canada and its larger agriculture resource base, agrifood exports are extremely important revenue generators for the agriculture sector and overall provincial economy.	Data is available annually from Statistics Canada with a two year lag. *2000 - $2.407 billion (MB)* *2005 - $2.960 billion.(MB)* *2000 - $ 23.37 billion(CDN)* *2005 - $ 26.22 billion(CDN)*	*Steady Manitoba Agrifood exports have increased at an annual average growth rate of 3.1 since 2000. Excessive wet weather in '04/'05 and lingering BSE economics in '03 have caused the trend line to hold steady in these last three years.* From 2000 to 2005 – *Total Manitoba Agri-food exports have grown 18.7% compared to Total Canadian Agri-food export growth of 10.9%.*	To protect our export trade, Agriculture, Food and Rural Initiatives has proactively initiated operational strategies for the occurrence of a pandemic outbreak.
Manitoba's progress towards building or maintaining vibrant rural communities, by measuring rural/small town employment in two areas: manufacturing and consumer services.	Vibrant rural communities are important to Manitobans, and the ability to find off-farm employment in rural areas or smaller towns is one of the determinants of whether these communities can maintain their population base.	Statistics Canada provides census data showing rural employment by sector. Annual estimates do not differentiate between rural and urban Manitoba.	In 2001, 16,340 were employed in rural/small town manufacturing compared to 14,870 in 1996 and 12,610 in 1991. In 2001, 36,850 were employed in rural/small town consumer services (includes tourism, accommodations, arts and entertainment and food services. This compares to 36,675 in 1996 and 34,860 in 1991.	The Agriculture, Food, and Rural Initiatives recent reorganization has put a renewed focus with investment and staff resources to further support the growth of new community ventures that provide employment opportunity.

Notes to accompany Agriculture, Food & Rural Initiatives (MAFRI) Performance Report information:

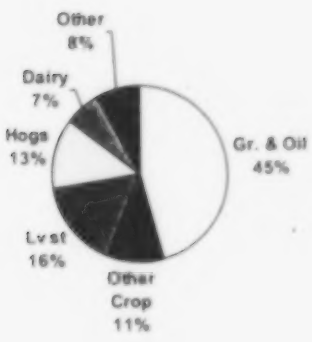
Theme Area: Diversification

Performance Indicator #1: The percentage change within industry receipts comprising the agriculture sector over time.

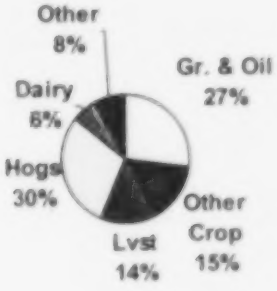
Statement of Result: That a balanced percentage of farm receipts amongst the industry segments of the agricultural sector provides more diversity and insurance against unforeseen events to the Manitoba economy.

Data presentation: Manitoba Industry Change over last 15 years (Farm Receipts)

1990



2005



Data Analysis:

Over time the industry continues to evolve to new technology, market signals, and government policies and programs.

In 1990, grains and oilseeds production was a dominant economic element in the Manitoba agricultural sector. However by 2005, receipts showed a more diversified agricultural sector primarily with increases in hogs and other crops at the expense of grains and oilseeds.

Primary drivers behind this change were individual producers and communities responding to the removal of transportation subsidies with new investments in hogs, pulse crops, and expansion of the potato processing industry as major industry shifts over this time period.

Another measure of adaptability or level of innovation for Manitoba producers has been provided by the Farm Financial Survey taken in Spring of 2003 and the National Renewal Survey of Winter 2003/2004. The same question was asked in both cases: What was the level of adoption of new products and techniques for operators in Manitoba?

The FFS indicated a response of 12% to try something new versus 10% to be the last try new products or techniques. The NRS sample taken later in the year showed an improved response to the question with around a 15% response in trying something new and 8% to be the last in trying new products or techniques.

By farm typology categories from the FFS, very large business focus farms indicated a large active interest in new innovation relative to the lowest response which was recorded by low income farms. This may be a result of less capital availability and/or management capability that could be implied by this response.

Theme Area: Farm Profitability

Performance Indicator #1:

Measurements of total net farm income and market returns to direct program payments; relative to non-farm income.

Statement of Result:

Efforts to increase market return potential over time are required to reduce direct program payments. Understanding the important support role that non-farm income now plays in the Ag sector also needs to be monitored.

Data presentation:

Manitoba Farm Income Sources (1994-2004)

Data Analysis:

Since the mid '90s the data above shows the interplay of the ups and downs of market returns for the total agricultural sector and how direct program payments have played a role in offsetting downturns. The effects of weather, hog market downturn, BSE and other incidents can be surmised by the applicable year and resulting income figures.

As a backdrop, off farm income has remained a relatively stable income source for the sector to also lessen the impact of economic downturns for some operations combined with direct program. This speaks to the ability of rural communities and individual entrepreneurs to generate ongoing employment that allows off-farm income opportunities for those producers and family members wishing to pursue this strategy.

With the interpretation of the above data, the combined resources of the federal and provincial governments have provided some programming to address this situation by implementing the Agricultural Policy Framework (APF).

As an example, the Canada Agricultural Skills Service program under the APF Renewal chapter is particularly applicable.

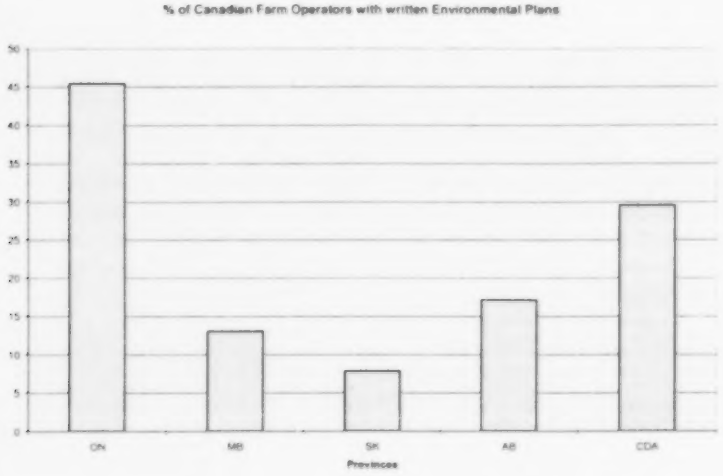
Since Manitoba implementation in September 2005, over 576 applications had been received, with 483 approved year to date. The goal of the program is to provide individualized training based on a training plan assessment for additional on-farm and/or off farm income opportunities. Individuals can receive up $16,000 in funding to pay for the training costs subject to an income qualification. Later survey information should provide further detail on the effectiveness of this high demand program.

Theme Area: Sustainability

Performance Indicator #1: Percent of written Environmental Farm Plans

Statement of Result: Environmental Farm Plan development in Manitoba by individual farm operations will provide awareness of environmental risk and investment in infrastructure that will minimize agricultural operations impact and/or improve the overall environment. This addresses concerns affecting air, water, soil, and biodiversity.

Data presentation: (% of Manitoba farm operators with written Environmental Plans compared to other provinces)



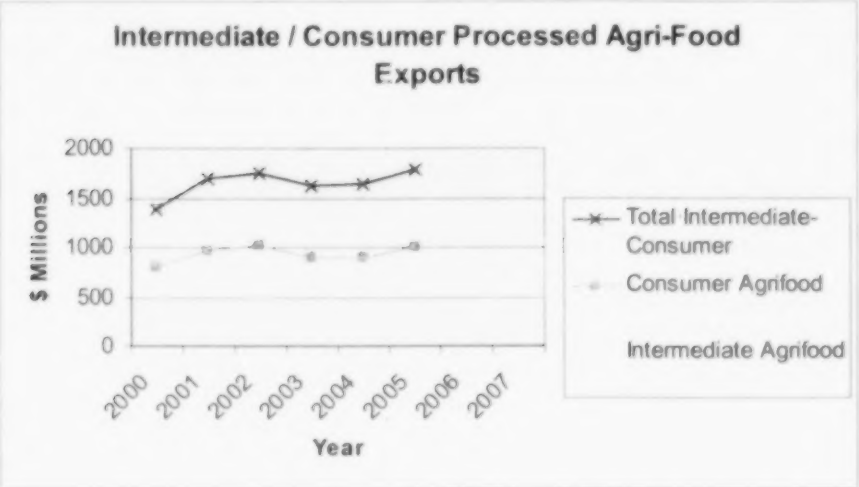
Data Analysis:
The data as displayed by this graph was derived from the 2004 National Renewal Survey taken during December 2003 – January 2004.

Current departmental data on specific provincial Environmental activities as at March 31st, 2006 shows 445 Environmental workshops held with 3400 participants. 1317 Environmental Farm Plan completions have been issued with 736 projects ($3.763 million) on Best Management Practices applied for.
It is fully expected that a future Renewal Survey should reflect this recent increased activity in improving Manitoba's Environmental planning abilities.

Theme Area: Value-Added

Performance Indicator #1: The value of intermediate and consumer goods processed for export.

Statement of Result: That an increase in total value indicates more economic activity being captured within the province relative to the alternative of selling primary product to export buyers for further processing.



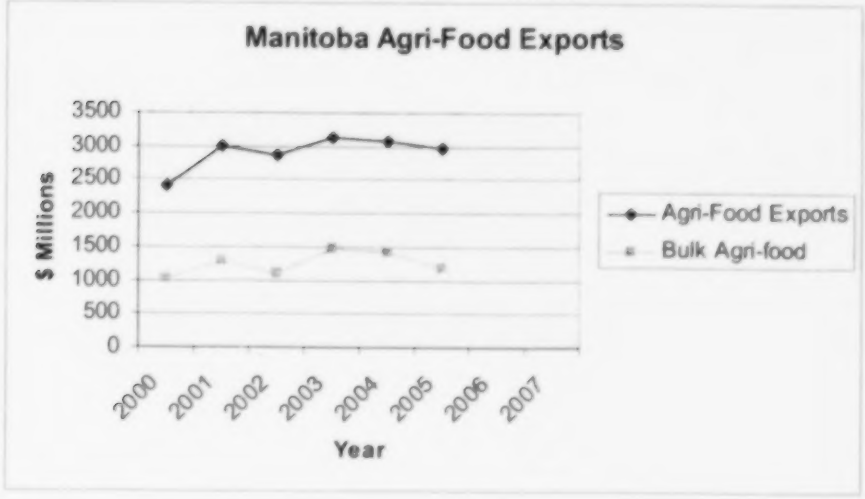
Data Analysis:
Over the last six years, there has been an average annual growth of 3.7% overall with a 21.9% growth rate overall.

Factors affecting these outcomes are infrastructure capital investment requirements, production variability related to weather occurrences, and trade issues, such as BSE that closed product exports down initially in 2003 and extending into 2005.

Theme Area: Market Development

Performance Indicator #1: Agrifood Exports

Statement of Result: That an increase in agrifood exports provides additional revenue into the provincial economic sector and indicates potential growth in capital investment and employment opportunities.



Data Analysis:

The value of agrifood exports for Manitoba have increased by 18.7% from '00 to '05, or an average annual growth rate of 3.1%. This is dependent on a wide variety factors that include the infrastructure capital investment, trade relations, availability of primary product, and in more recent times foreign exchange rates. There is little doubt that the future increases in the value of the Canadian dollar relative to the US will slow agricultural exports to some extent for Manitoba.